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Sub-Saharan Africa Report

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LIBERATION GROUPS JOIN PREFERENTIAL TRADE AREA

Lusaka TIMES OF ZAMBIA in English 4 Jun 86 p 1

[Text] AFRICAN liberation movements have been admitted into the Preferential Trade Area (PTA) as full members until their respective countries become independent, Secretary-General Mr Bax Nomvete announced yesterday.

Mr Nomvete added that Tanzania was also expected to join the organisation "within the next few months" to follow Burundi, Ethiopia and the Comoros islands which joined the PTA during the recent heads of state summit in Bujumbura.

Addressing a Press conference in his office at the PTA headquarters in Lusaka, Mr Nomvete said the decision to admit the South West Africa People's Organisation (SWAPO) of Namibia, the African National Congress (ANC) and the Pan-African Congress (PAC), both of South Africa, was taken by the heads of state summit in Bujumbura.

"These liberation movements will take part fully in the PTA meetings at head of state level, ministerial and other levels until their respective countries attain maiority rule," he said

Mr Nomvete released a joint declaration by the 15 heads of state who attended the recent summit in Bujumbura in which they reiterated their condemnation of apartheid in South Africa, demanded the unconditional release of political detainees, including Mr Nelson Mandela.

The heads of state, including President Kaunda, reaffirmed their demand for total economic mandatory sanctions against Pretoria to force it to relinquish apartheid.

Mr Nomvete said the heads of state pledged to strengthen the PTA and make it an instrument for facilitating the transformation of economies in member countries still dependent on racist South Africa to stem its destabilisation policies.

On the appointment of president of the PTA bank, Mr Nomvete said the summit did not discuss it because the board of governors had deferred the issue at its last meeting in March because of the PTA's cash crisis.

He said with Ethiopia, the Comoros and Burundi joining the bank the financial position of the organisation was now healthier. Tanzania too had indicated it would join the bank soon.

"We expect the board of governors to consider the issue of the PTA bank president at its next meeting sometime later this year," he said.

Mr Nomvete said the summit decided further that to avoid misunderstandings over the venue and chairmanship of the PTA summits, the heads of state had decided that all summits would be held in Lusaka.

/9365
CSO: 3400/031

ANGOLA

DOS SANTOS MEETS WITH WESTERN BUSINESSMEN

MB150624 Luanda Domestic Service in Portuguese 0500 GMT 14 Jun 86

[Text] Comrade Jose Eduardo dos Santos, chairman of the MPLA-Labor Party and president of the People's Republic of Angola, received in Futungo de Belas, Luanda, yesterday a group of European and American businessmen from the Business International [preceding two words in English] Organization who have been attending a conference together with the Angolan Government.

President Jose Eduardo dos Santos, in a brief speech on the occasion, reiterated Angola's willingness to cooperate economically and socially with [words indistinct] within the norms of international law. The People's Republic of Angola, he said, has immense economic potential, but this must be transformed into material wealth in order to insure Angola's development, [word indistinct], and the well-being of the Angolan people. Comrade Jose Eduardo dos Santos said that financial assistance and the expertise of foreign technical specialists are needed, and they are vital to the achievement of Angola's objectives. President Jose Eduardo dos Santos told the European and American businessmen that Angola was carrying out diversified cooperation with many nations with satisfactory results for everyone concerned. The Angolan leader said the success of that cooperation is the reiteration of Angola's independent policy of peaceful coexistence with nations that have adopted different development systems and nonaligned policies. However, President Jose Eduardo dos Santos regretted the skepticism existing among potential investors in relation to Angola due to a massive disinformation and slander campaign waged by certain European countries against the People's Republic of Angola, a campaign motivated by a desire for revenge and political ambition in conservative political circles. Dos Santos asked the European and American businessmen to use their influence to present a true image of an independent Angola and to unmask the criminal activities carried out by the South African-backed bandits.

Meanwhile, the conference, which was attended by the Angolan Government and members of the Business International Organization, ended yesterday, as we have reported. The statements issued then presented several aspects of the economic and social reality of Angolan society. The Luanda conference promoted by the Business International Organization was described by its deputy chairman and director of its African division, Mr (Langsley Wheelan), as one of the most important conferences ever held by his organization in southern Africa. The participants unanimously agreed that the conference was fruitful and that they learned about the functioning of the Angolan economy.

/12858
CSO: 3400/068

MINISTER OF AGRICULTURE ENCOURAGES RICE FARMING

Gaborone DAILY NEWS in English 26 May 86 p 3

[Article by Kesaobaka Kooreng]

[Text]

MAUN: The Minister of Agriculture, Mr Daniel Kwelagobe says farming on commercial basis, could be used to reduce bills on imported food, as well as create employment for Batswana.

He made this observation on Saturday when he went on a conducted tour of local agricultural projects, which were financed through the Government financial programmes, such as FAP, SLOCA, AE 10 and ARAP.

The Minister said his Ministry was seriously looking into the possibilities of reviewing FAP to remove loopholes, which discouraged farmers from using it fully.

After it had been scrutinised recommendations would be made to the Government, he said.

Addrssing labourers at Boro Rice Project, the Minister advised them to become permanent rice farmers and use it as their source of livelihood.

He added that Chinese farmers have been brought here to help Batswana learn the basics of rice production and not to plough it themselves.

Mr Kwelagobe advised the Manager of the Project, Mr Batsietsi Koosimile to recruit about 10 farmers who would venture into full time rice farming.

The listeners were assured about the availability of markets as the Government would help them.

The manager, Mr Koosimile said the main problem they faced was lack of water, weeds on the paddy fields and lack of accommodation for the workers.

The Minister appealed to his audience to lodge their complaints through the right channels, for the sake of harmonious working relations.

Also visited were fisheries, vegetable, milk and poultry producers and a few prominent farmers in the area. Commenting on the projects the Minister said he was impressed, but had observed that some farmers needed technical and professional advice to produce more food.

/9317
CSO: 3400/070

BOTSWANA

CHINESE AMBASSADOR PRAISES NATION'S ROLE

Gaborone DAILY NEWS in English 26 May 86 p 3

[Article by Nathanial Motshabi]

[Excerpts]

FRANCISTOWN: The Chinese Ambassador to Botswana, Mr Zhang Dezheng has praised the nation for the important role she is playing in international affairs.

Mr Dezheng who is the new Chinese Ambassador to Botswana is in Francistown for a week. The purpose of his visit is meet the Chinese doctors at Jubilee Hospital and the Francistown Town Councilors.

The Ambassador, who held talks with the Mayor of Francistown, Mr Timon Mongwa has expressed sympathy to the people of Botswana in the wake of the raid on Batswana by South African commandos last week.

He assured Botswana that China firmly supported its peoples in their stand against the aggression.

He expressed gratitude to the people of Francistown in particular for the support they have given to the Chinese doctors working at the hospital.

The Chinese Ambassador said he was impressed by plans for a new referral hospital and said while visiting the wards at Jubilee Hospital, patients expressed satisfaction about the work of Chinese doctors.

The Mayor of Francistown, Mr Timon Mongwa said that the cooperation existing between the Botswana Government and the People's Republic of China has far reaching results since "we are now capable of discussing cultural, economic and medical affairs, between our own people." BOPA

/9317
CSO: 3400/070

CONGO

BRIEFS

BRIDGE OVER CONGO RIVER--Results of discussions 10-12 April indicate that an auto-rail bridge will soon be constructed over the Congo River linking Brazzaville and Kinshasa. According to Minister of Transport and Civil Aviation Comrade Hilaire Mounthault, plans are well advanced. Other items he discussed with State Commissioner in Charge of Transportation and Communication Citizen Muyulu [Mombanga] of Zaire were the operation of airlines between the two countries and management of the Pool Malebo. They agreed that Zaire's airline will serve Pointe Noire and Lina Congo will operate from Goma to the Zairian-Rwandan border. [by Jean Francois Lebegue] [Text] [Brazzaville MWETI in French 19 Apr 86 p 2]

CSO: 3400/104

CONSERVATIVE FRG DAILY: PEASANT RESETTLEMENT 'VOLUNTARY'

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 3 Jun 86 p 6

[Article by Guenter Krabbe, Nairobi, 2 Jun 86: "One Famine Is Followed By Another; Resettlement of the Farmers in Ethiopia"]

[Text] Without pity the Russians demand their pound of flesh even from dirt-poor Ethiopia. However low the world market price for oil may have dropped, their East African client, being dependent on Moscow because of Soviet arms deliveries, must pay $ 26 a barrel. Nevertheless Ethiopia has never been as well off since its revolution as it is now. The price of coffee, its most important export product, is as high as it has not been in 10 years and, moreover, the export increased by 20 percent to almost 100,000 tons. There was also rain; after years of drought a normal harvest could again be brought in. Instead of nearly 11 million, according to the state aid commission (RRC), only 6.5 million people depend on food aid from abroad. The foreign exchange reserves have tripled in the past 6 months to $ 150 million.

However, according to the calculations of the World Bank, Ethiopia, with a gross domestic product of DM 250 a year for each of the 42 million inhabitants, continues to be the poorest country in the world. Eighty-six percent of the population lives in the countryside, 90 percent of the foreign exchange is earned by agriculture. But it contributes only 40 percent to the gross domestic product. Most farmers produce on their tiny plots in good years just enough for the life necessities of their families and frequently not even that. The average life expectancy of the Ethiopians is about 43 years, that of their women, 47 years; mortality of babies is about 17 percent and that of children about 37 percent. Not even every second newborn child reaches the age of 5. Famines make these figures even worse.

Ethiopia is one of the oldest countries in the world. The farmers have been working the soil for two or three thousand years. They do not work all of the land which in its present borders covers 1.22 million square kilometers, five times the size of the FRG. Of that, the arable land amounts to 840,000 hectares. But not even 17 percent of that is actually used. The farmers have always only taken from the soil and have never put anything into it. Productivity is getting less all the time. One of the reasons for this fact, according to Politburo member Legesse Asfa, is the primitive technology which knows only the use of people and oxen. "Intermediate technology, e.g., fertilizer," he says, "was not introduced until the revolution 12 years ago. Before that fertilizers were used only on a

very few big farms which also came into being only a few years prior to the revolution."

Before that, the land belonged to the church and the nobility, both of which were only interested in extracting from the tenants as much as possible, up to 65 percent of the harvest. Thus the farmers, who could not have hidden the bigger harvests from the tax collectors, were not interested in a production increase and not at all in land improvement and conservation. Self-supply was sufficient for them. For thousands of years trees were cut down for firewood and lumber. Hardly ever was any tree planted. Only south of the capital of Addis Ababa is there still a forest today. It constitutes just 4 percent of the land. For hundreds of years rain has carried the topsoil from the mountain slopes. A total of 60,000 hectares is lost every year, according to the RRC aid commission. In Eritrea and Hararge, attempts have been made for the past 5 or 6 years to save the soil by terracing and reforestation. Tens of thousands of people, paid with food, are also engaged in Tigre in piling up by hand tens of thousands of kilometers of protective walls on the steep inclines and to plant trees behind them.

But in Wollo and in the north of Shoa Province it is too late for that. There is no more soil that could hold the roots. Where the slopes at the edge of the plateau are too steep for use, there are still some terraces, 100 square meters here and 30 square meters there on which the soil has held. By ropes --one has to see that to believe it--the farmers lower themselves over the rock face to work this little plot of land and to snatch a few kilograms of millet from it. There are international recommendations according to which slopes steeper than 35 degrees should not be worked to prevent further erosion. In Ethiopia that would mean leaving half of the land still used lying fallow. Here even slopes 65 degrees steep are still under the plow.

For hundreds of years, despite all the efforts of the farmers, one famine has been followed by another, first at intervals of decades, then of years. Finally the big drought of the early seventies, which in 1974 finally triggered the revolution and the downfall of the emperor, continued almost without interruption into the drought of 1983-1984. Fifteen years ago even the diplomats in Addis Ababa refused to report on the famine and to ask for aid because that would have harmed the reputation of the empire. Over 100,000 people had died of hunger in Wollo and Tigre before the world heard of the catastrophe by a report of the illustrated weekly STERN. The revolutionary government with great success asked 10 years later for help and as the only Marxist-Leninist regime in the world did not shy away from opening the entire country to private and state aid organizations from all over the world. Never before that in its long history had Ethiopia been so open and accessible to foreigners; never before had there been so few secrets in the country.

Whether They Want That Is Determined by the Party

Emergency aid for the starving was the most urgent measure. Next the government started to rehabilitate soil close to exhaustion. In the meantime, several thousand farmers, because their land could no longer be saved, with their families got underway from the highland in the north to the south to earn a living in the cities or to look for land that could feed them. "We even

dissolved state farms to give these people land and to settle them," says Legesse Asfa, who is also responsible in the party Politburo for resettlement. The spontaneous migration took on such dimensions by the end of the seventies that the state farms no longer sufficed. A start was made at integrating resettlers in existing villages, a difficult measure in view of the ethnic, linguistic, cultural, and frequently also religious differences in the multinational state of Ethiopia.

"Resettlement," Legesse Asfa recalls, "had been recommended to us in a study of the World Bank as early as 1971. But since it was not the imperial but now the republican government that systematically started with the resettlement, that gave rise to protests in the Western world." The United States of all people, whose Peace Corps started the first resettlement prior to the revolution, now refuses any aid with the argument that the resettlers are being forced into it. Forced resettlement is supposed to prevent especially young men from joining rebel organizations in Tigre and Eritrea and the aim of resettlement is said to be collectivization and formation of kolkhozes. The Ethiopian government has pointed out the "voluntariness" and has invited diplomats, journalists, and politicians to observe resettlements. Almost all of them come back in a thoughtful mood. Most are surprised to hear that fewer than 20 percent of the resettlers come from Tigre and from Eritrea, the other insurgent province, none at all.

"Our main goal," Legesse Asfa says in the conversation, "is to save people. If we do not resettle them, they are condemned to death. We do not want to collectivize them if they do not want that themselves." Whether they want that or not, that is, however, in final analysis determined by the party, which in the non-communist countries of Africa, too, with a unity party "is always right." But appearance shows that production cooperatives, the rare exception, as a rule--still--are private enterprises of the resettlers. Of course, if the West continues to refuse its help in the rural development, then the party has a free hand.

The rate of resettlement was slower than the government had planned. In 1984/85, 370,000 families were supposed to have been resettled, but there were only 200,000. Legesse Asfa disputes that Western protests at the beginning of the year had caused the resettlement stop. Resettlement does not merely signify moving people from one place to another; it also includes road building, water supply, health care, assuring food supply until the first adequate harvest. "Resettlement is a long-term program in which we are still gathering experience." Now in the time of tilling the land, that is the time of consolidation.

Legesse Asfa, who is regarded as a possible successor to party and state chief Mengistu Haile Meriam at diplomatic cocktails in Addis Ababa, dwells on voluntariness for a long time. Resettlement must be planned and that includes quotas. They are calculated for the short and long term according to objective criteria, e.g. soil quality, settlement density, and the number of surviving oxen. "Hereby there have always been more persons willing to resettle than places," he says. "Individual functionaries who violated the fundamental rule of voluntariness of course existed. But they were not typical." In North Shoan, alone, 200,000 persons willing to resettle are ready to leave and "it is similarly" true of Wolle hit just as hard by erosion.

But refugees in Sudan and Somalia did report of compulsion in resettlement, had been able to just about make it across the border or had fled from resettlement areas. Refugees, he answered, are always misused to bring gifts and money from abroad to the host country. Most of them are refugees because of hunger and they return when the food situation in Ethiopia improves. On the other hand, there are resettlers who prefer the carefree life in the refugee camps to the hard pioneer existence in the new lands. He also said it is true that resettlers "weakened by hunger" died in the reception areas, "but the cited numbers are exaggerated because of ideological motives." He points to the horror figures disseminated by the chief of the U.S. Administration for Development Aid (USAID), McPherson, half a year ago concerning villages L 7 and L 8 in the Pawe resettlement complex in the Beles Valley. The Canadian ambassador in Addis Ababa confirms Legesse Asfa's statement. He said he immediately traveled to Pawe to check the figures and found that they were "wrong from A to Z."

12356
CSO: 3420/39

ETHIOPIA

BRIEFS

VILLAGIZATION CONTINUES IN GEDEO--Dilla (ENA)--Close to 1,386 homes built in seven settlement villages in Gedeo province of Sidamo region went into service recently in line with the villagization scheme aimed at collectivizing the scattered way of living of the peasantry. The villagization scheme is being conducted with good planning in such a way that it does not affect the production period of the peasantry, according to the head of the economic and social affairs of the WPE committee for Gedeo province. [Text] [Addis Ababa THE ETHIOPIAN HERALD in English 31 May 86 p 1] /9365

NEW CREDIT POLICY ANNOUNCED--The governor of the Ethiopian central tank, Tadesse Gebre-Kidan, announced this week the introduction of a new credit policy with effect from 1 July. Members of the cooperatives in the agricultural and construction sectors will be the principal beneficiaries, since they will be eligible for loans whose interest rates have been brought down from 9.5 to five percent and from nine to 4.5 percent, respectively. In addition, a three percent reduction in interest rates on loans granted to private businessmen in the industry, import-export and transport sectors was announced. Furthermore, in an attempt to encourage long-term savings, the government is to increase the interest rates on this type of deposit, while short-term deposits will see their rates lowered from six percent to one percent. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 24 May 86 p 8] /9365

CSO: 3400/031

TRADE UNION CONGRESS ISSUES STATEMENTS ON SOWETO DAY

AB171221 Accra Domestic Service in English 0700 GMT 16 Jun 86

[Excerpts] The world is today celebrating the 10th anniversary of the Soweto uprising during which the racist South African police massacred nearly 600 school children. In a statement to mark the occasion, Ghana joined the international community and in particular the struggling and oppressed people of South Africa in paying an unqualified tribute to the heroic and martyred Soweto school children. Ghana is deeply inspired by their supreme sacrifice. The statement said the tragic counts in Soweto, like the Sharpeville massacre in 1960 and the daily ritual of intensified atrocities against the black, are aimed at stifling any black opposition to the obnoxious apartheid system. But despite these conceited, shameful and inhuman motives and their related instruments of oppression, nothing can stop the aspirations of black nationalism and the march to a multiracial democratic society. The statement condemned the declaration of the state of emergency imposed by the racist regime as an attempt to stop the people's commemoration of the day. It also condemned the arbitrary detention without trial of hundreds of anti-apartheid activists. The statement said: We in Ghana, in concert with other OAU member-states, will continue to extend increased support to the liberation movements in South Africa, to equip them to step up the armed struggle for the speedy eradication of the hated system of apartheid and in this way, usher in the dawn of a new non-racial society based on one man, one vote.

It repeated the call for the imposition of comprehensive and mandatory sanctions against South Africa, as the only means to curb the agressive and criminal decisions of the Botha regime. The friends of Pretoria, especially Britain and the United States, should abandon their opposition to the question of comprehensive and mandatory sanctions against South Africa. This will enable the United Nations to fulfill its charter obligation to avoid a racial bloodbath. The statement pointed out that South Africa's continuous refusal to dismantle apartheid, together with its increased atrocities as well as military pressures against the Frontline States, pose a great threat to international peace and security.

On its part, the TUC [Trade Union Congress] expressed its solidarity with the unflinching support for the struggling people of South Africa who have heroically withstood, although ill-equipped, the intimidation, oppression and the inhuman policy of the racist regime. It called on the progressive and

democratic countries and organizations the world over to continue to give material aid to the nationalists against the racist regime.

The Ghana Peace and Solidarity Council urged all the liberation movements in South Africa to unite as one mighty force to dislodge the enemy once and for all.

/12913
CSO: 3400/039

BRIEFS

MINISTER CONDEMNS APARTHEID--The secretary for foreign affairs, Dr Obed Asamoah, has said Ghana is fed up with those who by words professed to be against apartheid but by deeds prolong the life of the system. Speaking at the UN conference on sanctions against South Africa in Paris, he pointed out that racism in South Africa is the greatest affront to the dignity of the black man since the slave trade. Dr Asamoah said the black people of the world would embrace any measure necessary to end that obnoxious system. He made it plain that in the light of the failure to get the Botha regime to transfer power to the black majority, the world has no other option but to impose comprehensive mandatory sanctions against that regime. According to Dr Asamoah, sanctions can only be complementary to the armed struggle. He mentioned the United States, Britain, France, and West Germany as the obstacles to the imposition of sanctions. This is because of the profit and material gains they derive from investments and trade with South Africa. [Text] [Accra Domestic Service in English 1800 GMT 17 Jun 86 AB] /12913

COOPERATION AGREEMENT WITH GAMBIA--Ghana and the Gambia have agreed to strengthen and cooperate in the fields of tourism, culture, and information by harmonizing their policies and strategies. A draft agreement on it, which is to be ratified by the two governments, was reached after five days of talks in Banjul by a three member Ghanaina delegation led by the secretary for culture and tourism, Dr Ben Abdallah and officials of the Gambian Ministry of Information and Tourism. The draft agreement includes the development and encouragement of tourist exchanges between the two countries and the intensification of tourist influx from Third World countries into their two states. Dr Abdallah told newsmen that the delegation met the vice president of the Gambia, Mr Bakary Darbo, the governor of the Central Bank, the minister of economic planning as well as the chief executive of the National Investment Board. He said the Ghanaian delegation was given an insight into the economic potentialities in the Gambia. On the forthecoming inter-tourism fair in Ghana next November, Dr Abdallah said the chief executive of the Gambian hotel and tourism school, is expected in that country soon to train and prepare Ghanaian hoteliers for the fair. [Text] [Accra Domestic Service in English 0700 GMT 16 Jun 86 AB] /12913

COMMONWEALTH MEMBERSHIP RECONSIDERATIONS--Ghana has warned that it will reconsider its membership of the Commonwealth unless Britain changes its policy on sanctions against apartheid South Africa. The secretary for foreign affairs, Dr Obed Asamoah, gave the warning during a stopover in London. He said British attitude does not encourage Ghana to stay in the Commonwealth. However, Dr Asamoah explained that Ghana has not yet taken a decision whether to stay or withdraw. Dr Asamoah declared: If Britain would enforce sanctions, the issue would not arise. It makes it very difficult for any country to belong to such a club where Britain is a senior member. [Text] [Accra Domestic Service in English 1300 GMT 17 Jun 86 AB] /12913

MILITARY DELEGATION TO BURKINA FASO--The force commander, Major General Arnold Quainoo, today left for Ouagadougou, Burkina Faso, at the head of a 10 member government delegation to hold bilateral talks with the Burkinabe authorities. The delegation, which includes the chief of staff at the PNDC headquarters, Lieutenant Colonel E.K.T. Donkoh, and the deputy chief executive of the Volta River Authority, Mr Nanka-Bruce, will be away for two days. [Text] [Accra Domestic Service in English 1300 GMT 19 Jun 86 AB] /12913

POWER LINES TO NIGERIA--The government is initiating a program to extend power from Akosombo to Nigeria. Feasibility studies for the new transmission power lines to extend power to Nigeria through Togo and Benin have been completed. Survey works have also been completed by the Volta River Authority [VRA] for power to be extended to Burkina Faso through Brong Ahafo, Northern and Upper Regions. This was disclosed by the acting director of operations of the VRA, Mr J.K. Tetteh, when the Benin minister for health, Colonel Andre Atchade, called on him at Akosombo. Mr Tetteh gave no further detail. He said what is left at the moment is the protocol agreement with the countries concerned. [Text] [Accra Domestic Service in English 1300 GMT 13 Jun 86 AB] /12913

CSO: 3400/038

GDP EXCEEDS POPULATION GROWTH RATE

Nairobi DAILY NATION in English 31 May 86 p 3

[Article by: Anderea Morara]

[Text]

In 1985, Kenya's real growth in the Gross Domestic Product (GDP) was higher than the population growth; and as a result, the income per capita from an estimated Sh5,600 to Sh5,712 rose above the 1984 level.

The GDP growth amounted to 4.1 per cent while the population growth was about 3.9 per cent, giving a net per capita income increase of two per cent.

Launching the *1986 Economic Survey* yesterday, the Minister for Planning and National Development, Dr Robert Ouko, said: "Compared to the 1984 GDP growth rate of only 0.9 per cent this is very satisfactory."

The Minister said the prospects for 1986 were encouraging. "The long rains arrived on time and have continued long enough for the agricultural sector to register better performance than in 1985."

Overall, the economy is expected to grow by around five per cent in 1986. He predicted the production of the major cash crops would be higher than in 1985. This will boost Kenya's foreign exchange position.

Dr Ouko said the recent reduction in domestic petroleum prices was expected to lower production costs and increase local industrial output.

The Minister said the favourable weather conditions of 1985 enabled agriculture to perform better than in 1984. "Although the sector's growth of 3.5 per cent was lower than the rate of population growth, food production was at record levels," he said.

The Minister said maize production rose by 71 per cent while production of potatoes more than doubled. Though coffee production fell by some 20 per cent due to the 1984 drought and tea prices declined drastically, 1985 was still a satisfactory year. The record tea production of 147,000 tonnes made up for the fall in tea prices keeping export earnings high.

The good performance in agriculture led to increased consumption of manufactured goods and a 4.6 per cent real growth rate in the manufacturing industry compared to 4.3 in 1984.

There were increases in beverages, tobacco, textiles, footwear and in the number of locally assembled vehicles.

Employment in the manufacturing sector rose by 3.7 per cent compared to 2.9 per cent in 1984.

Wage employment in the modern sector, as a whole, increased by 54,700 new jobs or by five per cent.

The rate of inflation rose to 10.7 per cent in 1985 from 9.1 per cent in 1984, but further increases were contained through sound financial management, said the Minister, with the rate falling to 6.1 per cent by April this year.

Electricity generation increased by 17 per cent in 1985 over the 1984 level.

For the first time in four years, the building and construction industry registered positive growth. In 1985, the sector grew by 1.1 per cent compared with a decline of 6.8 per cent in 1984.

/12828
CSO: 3400/030

KENYA

BRIEFS

SHIPPING LINE EXPANDS--The first wholly African owned shipping line in East Africa, Allied Oil Supplies, has purchased its second ship and is set to branch out into the lucrative business of shipping and importing oil by the end fo the year. According to the company's general manager in Mombasa, Mr. Peter Mbendo, this new venture will guarantee them the annexation of 60 per cent of the market currently served by foreign oil firms. Allied Oil was established last year and has already earned Kenya foreign exchange in excess of shs. 30 million. No profit levels have, however, been released. The company currently serves most of the Eastern African states of Seychelles, Tanzania, Somali and the Comoros. The new ship to be launched on July 10, will supplement the Sofia which was launched a year ago. [Text][Nairobi THE KENYA TIMES in English 3 Jun 86 p 5]/12828

CSO: 3400/030

MORE OFFICIALS IMPLICATED IN FINANCE MINISTRY SCANDAL

Monrovia SUNTIMES in English 28 May 86 pp 1, 6

[Article by Westmore Dahn]

[Text]

Additional names of top government officials have been revealed in connection with the drawback certificates scandal at the Ministry of Finance.

In the lead story of the yesterday's edition of this paper, captioned: "$13 MILLION DRAWBACK CERTIFICATES SCANDAL AT FINANCE MINISTRY--BIG NAMES IMPEDING PROBE?", several senior government officials were named by the complainant, Mr. Augustine Flomo, an employee of the Finance Ministry.

Those implicated in yesterday's article were former Finance Minister G. Alvin Jones, former Deputy Finance Minister Eddie Manly, former Deputy Finance Minister for Revenue, Henrietta Koenig; and Liberia Water and Sewer Corporation Managing Director Peter Bemah.

Speaking to this paper yesterday, a complainant in the $13 million Finance Ministry fraud, Mr. Augustine Flomo, disclosed the following additional names of individuals who, he said, are cognizant of the deal: Mr. Francis Keelekai, Roland Jones, Deputy Commissioner for Administration, Ministry of Finance; James Daulphing, Assistant Commissioner, Legal Tax, Ministry of Finance; S. Nimely Doe, Supervisor of Bonded Warehouses; Abraham Tarr, Deputy Collector of Customs and Excise, Freeport of Monrovia; and Thomas S. Garlo, Commissioner of Customs and Excise, Ministry of Finance.

Flomo disclosed that he was in the position to prove his allegations against the accused "once there is fair and im-

partial investigation".

Upon the appearance of the article yesterday, two quick reactions were received from LIBTRACO and Mr. Emmanuel L. Shaw, II, Deputy Minister of State for International Cooperation and Chairman of the Special Committee of Finance Ministry Fraud.

In his reaction, Mr. Shaw clarified that his committee was constituted to probe into allegations of fraud at the Ministry of Finance following a complaint made to the Chief Executive by Mr. G. Henry Sharty, and not by Mr. Augustine Flomo as reported.

He pointed out further that at the Special Committee did not recommend the dismissal of any government officials or employees in its report.

Mr. Shaw disclosed that the committee is continuing with its work under the expanded mandate and within the extended timeframe granted by the Liberian leader.

"No deadlines have been set by anyone, and no restrictions or constraints have been introduced or imposed by anyone", Mr. Shaw said, adding, from time to time, as our findings are completed on a case to case basis, the Special Committee will report to the President through the established channels".

For their part, LIBTRACO said while maintaining their right to take legal action against the parties involved in this false story about LIBTRACO, we wish to indicate the following:

"LIBTRACO is a reputable company that does not engage in any fraudulent or other crooked acts.

"LIBTRACO over a period of six years received Finance Ministry drawback certificates totalling $503,447.46 all in connection with its dealing with certain mining concessions who enjoy duty free privilege under agreement with the Government of Liberia.

"All dealings by LIBTRACO with the Ministry of Finance have been proper, aboveboard, official, by letter and other documentations, and to the best of our knowledge in keeping with the laws and regulation of the Republic of Liberia," a letter from LIBTRACO said.

/9317
CSO: 3400/054

IMF TEAM, GOVERNMENT COMMITMENT TO ECONOMIC REVIVAL

Monrovia NEW LIBERIAN in English 30 May 86 pp 1, 6

[Text]

The Vice President of Liberia, Dr. Harry F. Moniba, has reiterated government's determination to put the country on a sound economic footing.

Dr. Moniba was speaking yesterday at his Capitol office when a three-man delegation from the International Monetary Fund (IMF) currently in the country to assess the economic situation in Liberia, paid him a courtesy call.

Vice President Moniba told the IMF delegation that the serious economic problems facing the country were of major concern to the Liberian government, and said the presence of the delegation in the country was a demonstration of government's seriousness to revive the economy.

He lauded the IMF for its continued assistance to Liberia, and appealed to members of the delegation to come out with recommendations that would help government in its effort to improve the economy, adding, the government is prepared to accept any recommendation that would bring economic relief to the nation and its people.

Earlier, the head of the delegation, Mr. E. A. Calamtsis, thanked Vice President Moniba for the "warm" hospitality accorded them since their arrival here two weeks ago, and described the economic problem facing Liberia as "serious".

He informed Dr. Moniba that the major problem facing the country was the servicing of its external debts, adding, "if there was a goodwill and servicing, Liberia could recover from its economic plight."

Mr. Calamtsis lauded government's efforts to improve the economic condition of the country so far, and assured the Vice President of the fund's continued assistance to bring economic relief to Liberia.

The delegation which was accompanied to the Capitol by Acting Finance Minister Johnny Gaye, the Governor of the National Bank of Liberia, John

/9317
CSO: 3400/053

UN AID BLOCKED BY FAILURE TO VERIFY PREVIOUS GRANT

Monrovia SUNTIMES in English 30 May 86 pp 1, 6

[Article by J. Nagbe Sloh, Jr]

[Text]

The Republic of Liberia has been denied a $200,000 grant by the Food and Agriculture Organization (FAO) of the United Nations (U.N.).

Reports have it that the FAO's decision stemmed from Liberia's failure to account for a previous $50,000 which the FAO granted each developing country about two years ago.

According to the reports, the money was intended to aid farmers in these countries for increased food production.

The Minister of Agriculture, Mr. Scott G. Toweh, confirmed the reports Tuesday in an exclusive interview with this paper.

Minister Toweh explained that at a recent meeting with those countries granted the $50,000, which took place in Rome, Italy, the FAO asked these countries to give account of said grants.

Minister Toweh, who represented Liberia at the meeting, pointed out that each of the countries that received the first grant of $50,000 was asked at the conference to account for said amount, a prerequisite for receiving additional $200,000 grant.

At this point, Minister Toweh told the conference that he was not abreast of the $50,000 since he was still new in the post.

Due to this, Liberia was denied the additional $200,000 grant given each of the countries that accounted for the previous $50,000.

It is not known as to whether Liberia was the only country blacklisted by the FAO for the unaccountability of the money.

Minister Toweh noted that following his return from Rome, he investigated and found out that the money was deposited in the Agriculture and Cooperative Development Bank (ACDB) in Monrovia.

When he met with the Liberian Senate Committee on Agriculture recently, Minister Toweh told the Committee that the $50,000, intended to be used as a revolving fund was deposited with the Agriculture and Cooperative Development Bank (ACDB) in Monrovia.

"The bank loaned it to some Liberian farmers, who have failed to pay the money; some of those farmers have already left the country, while others are not able to pay because their investment did not pay off," Minister Toweh told the committee.

Speaking to this paper Tuesday, Minister Toweh frowned on those farmers whom he referred to as "very dishonest," adding that "those farmers sit down and complain that government can't do this and that, while they are not honest to meet their obligations to the government."

All efforts to get a breakdown of the $50,000 from the ACDB proved futile, as the president of the bank, Mr. Wilson Tarpeh, was reported to be out of the country.

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CSO: 3400/053

LIBERIA

ACTING FINANCE MINISTER ON ARREARS DISBURSEMENT

Monrovia SUNTIMES in English 30 May 86 pp 1, 6

[Article by Ambrose Gbormie]

[Text]

The Acting Minister of Finance, Mr. Johnny W. Gaye says the disbursement of March salary cheques has commenced.

He said salary payments will be made to the following Ministries and Agencies of government: National Defense, Education and University of Liberia, Health, J.F.K., National Legislature, Justice, National Security Agency, Police, Immigration, and other paramilitary Units.

Acting Minister Gaye said the Finance Ministry has a monthly budget of $7 million for the disbursement of Civil Servants' cheques.

He said the delay in the payment of salary cheques derived from the taxes collected in the amount of $400,000.00 which, he said, was inadequate.

Minister Gaye also said that in order to make the collection of taxes regular throughout the country, his Ministry has decided to assign regional tax inspectors to bring accuracy in the collection of taxes.

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CSO: 3400/053

LIBERIA

STUDENTS CONDEMN DECISION TO RAISE TUITION

Monrovia DAILY STAR in English 28 May 86 pp 1, 7

[Text]

The Liberia National Students Union (LINSU) has unanimously opposed the decision by government to institute the payment of tuition in the public school system beginning academic "87".

It has also rejected the decision of the West African Examinations Council (WAEC) to increase the national exam fees as of this academic year.

It can be recalled that few months ago, the Liberian government announced that beginning next academic year, students attending public schools will pay tuition. The decision was announced few weeks after the committee set up to probe the March 18, 1986 student virulent riot made its reports to the President of Liberia, Dr. Samuel K. Doe.

This was contained in a press release issued Monday following a consultative meeting among the Cuttington University College Students Association (CUCSA), the Student Union of Bong (SUB), a regional member union of LINSU and the Interim National Secretariat of the Liberia National Students Union (LINSU). The meeting which started May 24-25 was held under the theme: "STUDENTS FOR LIFE IN PEACE AND DEMOCRACY".

At the end of the successful consultative meeting, LINSU was mandated to advocate and ensure the prioritization of education in the country.

According to the release, the meeting appraised the work of LINSU over the years, reviewed the current programs of LINSU, studied LINSU's position on constitutional questions of interest to the students of Liberia, and critically analyzed the general national and international atmosphere.

The release added that the participants expressed their satisfaction with the decision of LINSU to hold a national congress, but stressed the importance of campus-wide elections and the creation of regional unions in all the political sub-divisions of the country as the logical point of departure and precondition for such an event.

"The students having been divided for the last five years, the participants affirmed their unwavering support for the decision of the Interim National Secretariat of LINSU to organize friendship tournaments all over the country in preparation for a student Reunion and Peace Festival scheduled to be held in in October, 1986", the release said.

The meeting also hailed the students of CUC to hold campus-wide elections on June 5, 1986, in compliance with the Constitution respectfully called on all administrators and academic authorities to recognize the right of all students in Liberia to elect their own leaders and urged them to respect the constitution by immediately embarking on preparatory activities for the holding of democratic elections in their schools.

"Agreeing to step-up cooperation between CUCSA and SUP on the other hand, the participants finally expressed their satisfaction with the character of the meeting and urged LINSU to prepare such meetings as frequently as possible", the release said.

Representing the Cuttington University College Students Association were: Francis S.B. Yancy (Student Leader - CUCSA), Shadrach B. Smith (Vice Student Leader - CUCSA), F. Benton Franklin (Secretary-General (CUCSA) and Miss Perpetua Sanvee (Assistant Secretary - CUCSA).

For the Student Union of Bong were: Bartholomew Bioh Colley (Acting President -SUB) and S.L. Lofen Keneah, Jr. (Coordinator - SUB) while the Liberia National Students Union was represented by the Interim National Secretariat and heads of standing committees.

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CSO: 3400/054

LIBERIA

FLIGHT SUSPENSION BLAMED ON STRIKES

Monrovia DAILY STAR in English 26 May 86 p 1

[Text]

The Managing Director of Air Liberia, Mr. Michael Wiles, says that the suspension of all Air Liberia flights since last October, was not due to the breakdown of the aircraft.

Disclosing this in an interview with the Daily Star at his James Spriggs Payne Airfield offices last Friday, Mr. Wiles said the reason for the long flight suspension was the result of a strike action taken by the employees to demand their eight months salary arrears owed them by the corporation.

He said although two of the aircraft were in running condition at the time the strike action was taken, yet, management was constrained to suspend all flights as a result of the strike action.

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CSO: 3400/054

PRESIDENT BANDA CONGRATULATES BOTHA ON INDEPENDENCE DAY

Blantyre DAILY TIMES in English 2 Jun 86 p 1

[Text]

HIS EXCELLENCY the Life President on Saturday sent a message of congratulations and best wishes to President P.W. Botha of the Republic of South Africa on the occasion of that country's national day.

The message, released by the Ministry of External Affairs in Lilongwe, said:

"On the occasion of the 25th anniversary of your country's Republic Day, the Government and people of the Republic of Malawi join me in extending to Your Excellency and the people of the Republic of South Africa warm congratulations and best wishes.

"I wish Your Excellency continued good health, peace and prosperity for the people of the Republic of South Africa. May the cordial relations that exist between our two countries continue to grow for the mutual benefit of our two people." — Malawi News Agency

/9317
CSO: 3400/077

RSA AMBASSADOR ALBERS ON BILATERAL RELATIONS

Blantyre DAILY TIMES in English 30 May 86 p 1

[Text]

MALAWI's policy of good neighbourliness with other nations has been lauded by the South African Ambassador to Malawi, Mr. O.G. Albers.

He sounded the praise at a reception he hosted at Mount Soche Hotel on Wednesday night for Blantyre residents to commemorate the 25th anniversary of South Africa's Republic Day which falls on May 31.

Addressing guests who included the Speaker of the National Assembly, Mr. Nelson Khonje, the business community and other dignitaries, the ambassador said that his country was privileged to enjoy a co-operative relationship with Malawi due to the dynamic leadership and pragmatic policies of His Excellency the Life President.

He said that because of the Life President's policies, Malawi was a happy and prospering nation and was living in peace and friendship with other nations.

"We are pleased to be able to render specialist services to the country when requested to do so," said the ambassador, adding that "we are pleased to be able to assist in the present transport crisis."

Speaking about developments in his country, Mr. Albers said President P.W. Botha has reiterated time and again his government's determination to negotiate an arrangement whereby all South Africans can share power at all levels, which, he said, was actively being pursued.

He said that in spite of all this, the violence persists. "The serious recession which we are experiencing is not helping matters, but we are determined that peace must return to our country to the benefit of all peace-loving citizens," Mr. Albers added.

He further stated that South Africa needed a return to stability not only for its own sake but also for the sake of the region which it shares with others. "We are all interdependent, whether we like it or not, and our future lies in co-operation with each other," he added.

Mr. Albers finally invited the guests to drink a toast to His Excellency the Life President and wished him happiness, long life and good health. The guests also joined the ambassador in a toast to the State President of the Republic of South Africa, Mr. P.W. Botha. /

/9317
CSO: 3400/077

COMMONWEALTH DEVELOPMENT CORPORATION INVESTMENTS OUTLINED

Blantyre DAILY TIMES in English 5 Jun 86 p 1

[Text]

WITH equity and loan investments in 20 projects in Malawi involving agriculture, agro-processing, utilities, housing, commerce and industry, the Commonwealth Development Corporation (CDC) is firmly committed to assist the continuing development of the country's economy, says the Corporation's annual report for 1985.

At a recent press conference held in London, the corporation said that results show total disbursements in 1985 equivalent to K214 million and an increase in the organisation's world-wide total investment and commitment from K2,179 million to K2,359 million in 53 countries.

It states that of the total investment and commitment, half is to Africa. "Malawi now accounts for K132 million and remains one of the corporation's most important countries of operation", the report says.

It adds that during 1985 the organistion's commitment to Malawi was increased by K14.4m, following approvals of a new investment in Admarc's Kavuzi Tea Company Limited in the Northern Region (K2.3m in a tea expansion and factory construction project) and supplementary investments in Mandala Limited (K7.8m for exapansion of rubber on Chombe estate), Blantyre Netting

Company (K1.4m for expansion, diversification and waste recovery) and Indebank (K2.9m for further development finance).

In addition to these approvals disbursements in Malawi were made during 1985 to Blantyre Water Board, Kawalazi Estate and Blantyre Netting.

The report explains that many of the organisation's investments in the country are in agriculture. Development of tea, coffee and macadamia was accelerated at Kawalazi estate in Nkhata Bay district, a joint venture with Spearhead Holdings and further development is planned.

The corporation's traditional attention to smallholder schemes has been maintained, with continued support for the coffee, sugar, tea and tobacco authorities in a year which saw, for the most part, much improved levels of production by smallholders. In other projects, rubber and high quality seeds proved useful exports to supplement and diversify Malawi's foreign exchange earnings.

The organisation places considerable importance on foreign exchange earnings and during the year the agricultural and industrial projects with which it is associated earned the equivalent of K28.0m in foreign exchange from exports, says the report.

"With equity and loan investments in 20 projects in Malawi involving agriculture, agro-processing, utilities, housing, commerce and industry, CDC is firmly committed to assist the continuing development of the country's economy," the report states.

It concludes that during 1986 it confidently expects to increase that commitment and studies are already being conducted into another major agricultural development project to produce food crops.

/9317
CSO: 3400/077

MOZAMBIQUE

SIGNIFICANCE OF BISHOPS' LETTER TO MACHEL DISCUSSED

Lisbon DIARIO DE NOTICIAS in Portuguese 4 Jun 86 p 28

[Editorial: "Mozambique: The Bishops' Appeal"]

[Text] This is not the first time that the Mozambique episcopate has decided to voice its concern to the political authorities over the serious problems facing the people of Mozambique as a result of the fratricidal conflict that is devastating the country. Not yet officially released, the "letter" that the Bishops Conference will send to President Samora Machel at the conclusion of their annual meeting in Maputo (but its general features are already known from what has been leaked from that meeting) once again expresses this concern. The war "which challenges us and does not allow us to remain silent" is the prevailing topic of the document being prepared.

Obviously without indicating technical solutions for the conflict (which the bishops admit has now spread to all the country's provinces), and after noting that such solutions are incumbent on politicians to find, the signers of that "letter" describe themselves as "the spokesmen for the suffering and despair" of the Mozambican people as a whole, confronted with a war "that has degraded them, deprived them of their dignity, forced them to kneel to foreigners, and turned them into a kind of beggar." However, as they also admit and declare, the solutions to that battle which is eroding the country in all its social, economic, and human dimensions, do not depend "only, or particularly, upon Mozambique." It is, after all, a result of the crossfire between ideologies born outside of that country, which are beyond the people's control, but which have caught them in their net, and are stifling them, as they also remark.

We should remember that the situation of the Catholic Church in Mozambique did not show any appreciable improvement until 1980. The period following independence was not easy for its priests and missionaries, nor for the faithful as a whole, in particular. Without embarking overtly on a course of repression, the banishment to which the Marxist-Leninist regime established in Maputo immediately attempted to relegate not only the Catholic Church but, ultimately, all the religious ideologies that had their own space in Mozambique even before that independence and, understandably, were trying to maintain it thereafter, was still obvious. The pro-Western shift that occurred in the Mozambican president's policy since the beginning of the decade has also been reflected in the

religious realm. And, ever since, there has been established between the government and the Church an atmosphere of "coexistence" and "dialogue," which has become more marked.

A charismatic image of the Catholic presence in Mozambique (to which the persecution of which he was a target on the part of the colonial administration during the final years before 25 April contributed greatly), the bishop of Nampula, Dom Manuel Vieira Pinto, made a decisive contribution to that spirit of openness.

It is in this context that the "letter" and the Bishops Conference (judging from its recent statements to the NP correspondent in Maputo) assume particular significance. In the document to be sent to Machel, phrases such as "national reconciliation," "dialogue," and "understanding between the people who are fighting" are used repeatedly. And it seems to stress what the priests have been preaching almost all over the country during recent months from their pulpits: It is necessary for "all those who are fighting to reach an understanding." How, and throught what means, is, however, the great difficulty. The complexity of the interests involved do not warrant great optimism concerning the likelihood of a solution over the short term.

2909
CSO: 3442/240

MOZAMBIQUE

MAPUTO FACES FOOD DISTRIBUTION, TRANSPORTATION CRISIS

Lisbon O DIA in Portuguese 25 May 86 pp12-13

[Text] The food situation and the lack of transportation in Maputo and the outlying districts have worsened since the beginning of the year, as was observed on a tour of some commercial establishments located in the city and in the areas of Matola, Liberdade, Machava, Tsalala, and Hanhane.

The "new supply system for the city of Maputo," created in 1980 to control and equitably distribute products of prime necessity, such as rice, edible dough, corn meal, oil, soap, fish, and sugar, has not worked efficiently since January.

Fernando Alice Magaia, head of the No 2 station of the Liberdade District Cooperative, remarked: "Since January, there have been shortages of all the products used for the people's supply in my commercial establishment." He added: "In April, 40 card-holders, equivalent to 211 families, were without supplies."

Fernando Magaia's shop should be supplying 6,098 families, representing 960 cards.

Violeta Miambo, from the Liberdade District, said: "I have had problems in my store since January."

As she revealed, 50 families were left without supplies in April, "because the products did not suffice for the number of people assigned to that establishment. During May, 45 families could not be supplied."

Violeta Miambo stressed: "The City of Maputo Supply Organization Office only knows how to raise the number of people, but not the volumes of products."

Supply through the City of Maputo Organization Office is the only means for purchasing products of prime necessity at controlled prices in keeping with the wages in effect; even if the products are in insufficient quantity.

A kilogram of rice from that supply costs 13.50 meticals; sugar, 16; soap, 17.50; corn meal, 9; oil, 58; and fish (carapau), 50.

On the black market, to which the ordinary citizen has to resort, provided he has purchasing power, rice costs between 300 and 500 meticals per kilogram; soap, 1,500; oil, 1,200; and sugar, 500.

The minimum wage currently in effect in Mozambique is 2,100 meticals, and the average wage may be reckoned at between 5,000 and 6,000.

The lack of urban public transportation is another problem besetting the workers who reside over 10 kilometers from the city.

Its operation is irregular. A single car arrives to circulate at 0500 hours; beginning its return trip again at about 1230 or 1500 hours.

This situation hurts in particular the districts of Matola, Liberdade, Machava, Gare, Chitevele, Albasini, and others, with tens of thousands of inhabitants.

The workers are forced to pay truckdrivers, who are plentiful on the transportation black market, and a single trip costs 100 meticals (400 escudos in Portuguese currency).

The public transportation buses charge from 7 to 8 meticals for the same trip, depending on the zone.

2909
CSO: 3442/240

MOZAMBIQUE

BRITISH OFFICERS ACCUSED OF SUPPORTING EXECUTIONS OF SOLDIERS

Lisbon O DIABO in Portuguese 27 May 86 p 19

[Text] In connection with the shooting of 12 deserters at the military training field of Imianga, the National Mozambique Resistance, RENAMO, denounced an alleged "English complicity" in the violation of human rights which continues to be systematically practiced in Mozambique by government troops and by the Zimbabwe expeditionary force that collaborates with them.

British mercenary officers who serve at that base of the Zimbabwe Army were reportedly present at the executions, RENAMO added.

It would seem that the support of these mercenaries is being given equally to the forces of Zimbabwe and to the Popular Republic of Mozambique, which in any event operate jointly against the rebels in the central area of the country. About 50 new FRELIMO officers were commissioned at a Zimbabwe base the beginning of May, after a 12-week course given by the English mercenaries.

The Zimbabwe troops deployed in Mozambique, whose numbers are calculated at about 6,000 men, are primarily concentrated at Vila Paiva de Andrada and are attempting to secure the operation of the Beira-Untali pipeline and rail and road communications. However, their presence did not prevent a FRELIMO military column in transit from Chimoio to Vila Paiva de Andrada from being attacked and destroyed by guerrillas 2 weeks ago.

The Zimbabwe Expeditionary Corps played an important role in the offensive launched by FRELIMO last August against RENAMO bases in the Gorongoa mountains. Yet the rebels returned to occupy those bases and to dominate the situation in neighboring areas and, in general, in the provinces of Zambezia, Manica, and Sofala. The last RENAMO military communique mentions taking the towns of Mavita and Mavonda (Manica) and Cuara-Cuara (Sofala).

Since the resistance resumed command of the operations, the number of losses suffered by the Zimbabweans has increased. In the week 10-17 May, for example, the 280 casualties inflicted on government troops included 60 soldiers from Zimbabwe, according to the RENAMO military communique mentioned above.

Executions in Maputo Also

The assistance given by British mercenaries in training the troops of Samora Machel and Robert Mugabe has a purpose of an economic nature: aside from protecting supply lines, it tries to assure the expansion of the important interests that the Lonrho group has long maintained in the area. A multinational in which British capital predominates, Lonrho recently obtained a concession to mine gold deposits in the Mozambican province of Manica. A considerable part of the expense of the mercenaries is paid by the multinational, according to well informed sources in Harare and London.

The 12 executions at the Imianga military camp took place almost simultaneously with the death sentence of the revolutionary tribunal of Maputo against 6 persons accused of crimes against the state. Four of those sentenced to death were members of RENAMO.

The same tribunal sentenced seven others accused of crimes against the state, including a Kenyan, to major prison terms.

Situation in Nampula

Last week the rebels announced the occupation of Vila de Meluco, in the province of Cabo Delgado. Meanwhile, there were contradictory reports by the government radio and press concerning the situation in the province of Nampula.

According to the Maputo radio station, controled by FRELIMO, government forces killed 150 rebels in that northern province and destroyed 8 camps, forcing RENAMO on the defensive. However, the newspaper NOTICIAS, also controlled by FRELIMO, several days ago reported a new guerrilla attack on the outskirts of the city of Nampula.

It is known for certain, at least, that the population of that city, the third largest in Mozambique, has been deprived of foodstuffs considered essential and that, according to a correspondent of NP, guerrilla actions have interfered greatly with the completion of the rail line destined to connect the port of Nacala with Entre Lagos, on the frontier with Malawi.

12942/6662
CSO: 3442/236

RENAMO INFORMATION OFFICER ON OPENING OFFICE IN RSA

Johannesburg SUNDAY TIMES in English 8 Jun 86 p 5

[Article by Denyse Armour]

[Text]

THE man who is seemingly single-handedly adding to the stresses of the already fragile Nkomati Accord between South Africa and Mozambique is a quiet-spoken architect and father of two young children.

With his announcement last week that he was opening an office for Mozambique's rebel Renamo movement in Durban, Pedro Buccellato, 34, has forced the South African Government to face up to condemning or condoning a guerrilla movement from an allied state.

So far he has had no reaction from the Government.

Risk

The sincere young information officer from the Movement of National Resistance has given up practising as an architect to devote himself to representing his people.

"I'll start my practice again when I am living back in Mozambique," he said.

He also knows that a consequence of his "coming out of the closet" in South Africa could well be that he might be deported. But he said he was ready to face that.

"We have to risk our freedom before we can find it. I am willing to face the consequences of this move," Mr Buccellato said.

He was born in Mozambique to parents who were third-generation Mozambicans.

He went to school there until the age of 12, when his parents sent him to a private school in Johannesburg, "mainly to learn English".

From then until independence in 1975, he commuted between the two countries. When he was 18, his family left Mozambique.

He claims his family, which was the third wealthiest in the country, was persecuted by the ruling Frelimo party and most of them were thrown into jail.

"My brother continued working for Frelimo for another three years, before he too was forced to flee," Mr Buccellato said.

The family, which had owned construction and farming interests, left Mozambique with little money.

"We had not sent our assets out of the country. Mozambique was our home, we did not intend to leave.

"So when we left, we left with nothing at all. We came here without a cent," Mr Buccellato said.

"Gypsies"

He came to South Africa, studied architecture at the University of Natal and was called up by the SADF.

He completed his military training, but on the day the Nkomati Accord was signed, he wrote a letter of "resignation" to the army.

After that he came into contact with the underground Renamo movement in South Africa.

He now plans to move to the Eastern Transvaal with his Danish wife, Lone, five-year-old daughter and three-year-old son.

Mr Bucellato said he was fighting to prevent his people becoming "a tribe of space-age gypsies", forever on the move from country to country trying to find a culture similar to their own.

"We want to be integrated into the society which is rightfully ours, but from which we have been excluded against our wishes," he said.

In talking of "his people", Mr Buccellato includes the black refugees in the Eastern Transvaal.

"White or black, it makes no difference. We can't be distinguished from each other. We all want to go back to our homes," he said.

Mr Buccellato said there had been confusion over the opening of the Durban office after some internal problems in the MNR.

He also emphasised the office would not serve a diplomatic or political function.

"We can't be diplomatically and politically represented in South Africa, simply because we — like other independent African states — are strongly opposed to apartheid.

"But there are half-[illegible] million Mozambicans in [illegible] country who deserve to be represented and Renamo is their representative.

Welfare

"The office we are opening will represent them to the MNR, who will represent them to the international community through the United Nations," he said.

Mr Buccellato said the office would operate under the title of the Mozambique National Relief Agency, which would fund a welfare service for Mocambican refugees in the Eastern Transvaal.

"We're not a charity organisation, but because of their problems, we must offer these refugees a welfare service," he said.

/12828
CSO: 3400/049

PORTUGUESE GOVERNMENT ALERTED TO CABORA BASSA SITUATION

Lisbon O DIABO in Portuguese 3 Jun 86 p 3

[Text] Two years ago, the Cabora Bassa dam caused joyful expectations to be harbored, in the opinion expressed by the state secretary of treasury, Antonio de Almeida, and that of various news media organs: We would save $1 million per month as a result of the agreement that was signed in Capetown on 2 May, between Portugal, the Republic of South Africa, and the People's Republic of Mozambique.

In fact, the agreement raised considerably the rate for the electric power supply produced by that dam and consumed on the South African market. Rising to 75 centimos per kilowatt hour, the rate was therefore increased 15 times. In addition, as soon as the supply became completely regular, there would be another hike, then doubling it. Furthermore, the South African purchaser (Iskor) would pay a premium to the Maputo government, equivalent to 35 centimos per kilowatt, if the supply were provided without interruption.

Giving credit to the optimists commenting on the event, Portugal would thereby see the light at the end of the tunnel, the dark tunnel toward which it was heading in 1975, on the eve of Mozambican "independence," by creating the "Cahora Bassa Hydroelectric Power Plant," to ensure the transfer of the dam to the new state, and maintaining the position of a co-signer with Zamco; that is, the consortium of foreign companies that had made the construction of the gigantic enterprise possible.

It was time to leave that tunnel. The situation created by the "exemplary decolonizers" (who, only in connection with the debts contracted in Cabora Bassa, understood the Salazarist principle that the state should be an entity of integrity and keep its commitments) has become a cancer for the Portuguese treasury.

This is even acknowledged by one of those "exemplary decolonizers," Dr Jaime Gama, at the time, minister of foreign affairs, who, in his speech at the ceremony for the signing of the agreement of 2 May 1984, made the following statement, verbatim: "We do not want profit from Cabora Bassa; but we do not want to continue witnessing the absurdity and scandal of a completely equipped dam which Portugal has been paying for with difficulty and which, after all benefits no one."

Dissipated Illusions

The illusions created concerning the Capetown agreeent, moreover, did not rest only on the hope that the future profitability of the dam would relieve Portugal of this heavy burden, whereby Portuguese taxpayers have been paying millions of contos for something from which they will never have the slightest gain, and which, when it is paid for, will go entirely into the possession of a foreign country.

The illusions went further, and even discerned a new Portuguese financial participation in the projects to expand the dam, so that the energy produced there could also be sold to the countries of the "hinterland." It seemed like a return to the times of July 1962, when engineer Castro Fontes and Prof Alberto Manzanares announced the results of the studies made since 1957 by the Zambeze evelopment and Settlement Mission, and the amazing plan to make use of nearly a quarter of the area of Mozambique. That plan, of which the dam construction was only the driving force, was not aimed only at selling electricity to South Africa, but also at agricultural, mineralogical, and industrial improvement, and socioeconomic development, from which 60,000 native farmers and 13,000 new settlers would benefit, at the outset.

The renewed optimism soon was dispelled. At the end of that year, 1984, the Portuguese state had lost another 8 million contos, 8 million contos that were completely irretrievable; spent to back an enterprise that is not operating and cannot operate (apart from the quality and competence of its administration) and to pay its debts.

We don't know how many more millions of contos will be lost, but it is obvious that, from 1984 to the present, the situation has become worse, in the exact extent to which the virtually total paralysis of the Rio Zambeze dam has continued. In 1968, the financing of the Zamco consortium, co-signed by the Portuguese state, was 9 million contos (9 million contos of 18 years ago), which the state would begin liquidating in 1974, in 20 annual installments. The accounts and calculations were correct for the time. However, they ceased to be such starting exactly in 1974, when everything stopped being correct.

Who Can Guarantee Security?

At the time of the May 1984 agreement, there were a few dozen electric power transmission poles destroyed during the course of the sabotage action initiated in 1981 by the Mozambican National Resistance, or RENAMO. At the end of last year, that numer had risen to over 500; although RENAMO claims that much of the destruction was not caused by it; which warrants suspicion of a "parallel terrorism" ascribable to the radical wing of the Marxist regime in Maputo itself, which would thereby be perpetuating the destabilization created by it in the country.

In any event, of the 6,400 transmission poles existing along the 14,000 kilometers of conduction cable (900 of which are in Mozambican territory), 500 have been felled, and, since October 1985, not a single kilowatt of Mozambican

electric power has reached the South African Apoll station. Under these conditions, the advantages accrued with regard to an increase in rates have proven absolutely useless. No one is interested in raising the price of a commodity 15 times if that commodity is non-existent.

The Capetown tripartite agreement has proven to be unquestionably unrealistic. Its efficiency depended on whether or not there would be security along the 900 kilometers of Mozambican territory traversed by the Cabora Bassa conduit. In other words, it depended and still depends primarily on the Mozambican National Resistance, which has, moreover, underscored this. But both the government in Maputo, and the governments of Lisbon and Pretoria, have overlooked this "minor detail."

Theoretically, the preliminary question of security was not overlooked by the negotiators, but it remained only on paper. FRELIMO and some of its Lisbon friends stirred up the notion of entrusting the security of those 900 kilometers controlled by guerrillas to Portuguese troops. The Republic of South Africa, in turn, seemed quite inclined toward accepting the responsibility of policing the region.

In Lisbon, the usual lack of sense was halted when faced with the absurdity of sending troops to protect the Cabora Bassa lines. It would unquestionably mean contributing to the "shady business" of certain April revolutionaries, who go about there hiring mercenaries; it would mean participating in a civil war, in accordance with the desires of the communists and their associates; it would mean adding the loss of some lives to the annual loss of millions of contos. However, 2 months ago it was still being rumored in Lisbon that the Mozambican authorities were relying on Portuguese officers to instruct and organize a force of 800 FRELIMO members to be used for security of the Cabora Bassa lines.

Insofar as the South African policing plan was concerned, it was Maputo that dodged it. FRELIMO knows very well that an expeditionary corps from Zimbabwe is established in Mozambique (so far, no mention has been made of other foreign troops); but the idea of South Africa being responsible for policing the territory ranging from Chicualacual to Songo seemed unacceptable to it, understandably.

A Renegotiation of the Commitments? Perhaps

In addition to the difficulties and the expense of maintaining security, consideration must be given to the costs of the repairs, estimated a few days ago at $12 million. Who will pay for them? In the view of Mozambique, it would be Portugal, because FRELIMO is convinced that the Portuguese funds are inexhaustible, when it is a matter of supporting the Cahora Bassa Hydroelectric Power Plant and paying its debts: all this in order to turn Cahora Bassa over to FRELIMO, when there was no longer any damage to be covered, but only profits to be collected.

The fact is that it doesn't seem worthwhile to make the repairs, whatever they may be, so that the sabotage could occur again; which will inevitably happen

even if on a smaller scale, so long as FRELIMO is a combatant, something that has every indication of being an unchangeable constant situation, as one infers from the country's military status.

Now that the Cahora Bassa Hydroelectric Power Plant, despite its competence, cannot work miracles, nor does the end of hostilities depend on it, we shall continue to witness what former Minister Jaime Gama called an absurdity and a scandal 2 years ago.

Among circles wherein there is talk about what is not known, mention is being made of the possibility of closing the dam; a possibility already cited in June of last year, but immediately denied by the company's administration.

Another possibility backed in the same circles by individuals who are indignant over this drain to which Portugal's weak finances have been subjected, consists of suspending the fulfillment of Portugal's obligations as a co-signer with the Zamco consortium. However, that possibility overlooks the negative repercussions that such a measure would have, in economic and financial terms, on our relations with the countries to which the Zamco enterprises belong: a France, a Federal Republic of Germany, and an Italy.

A renegotiation of the commitments in effect, capable of mitigating the disastrous damage to which we have been led by the Cabora Bassa situation is certainly not impossible. That will most likely be the goal of another high level meeting which we know has been set for a few weeks hence, initially in the Portuguese-Mozambican bilateral area, possibly to be extended to the trilateral area which was that of the Capetown agreement.

Now that 2 years of that agreement have elapsed (2 disappointing years), there must no longer be room for any more unrealism. We even think that there is no longer any room for government dialogues, at least so long as they are not held in Mozambique between the government and rebel forces.

But there is starting to be room (owing to the complexity of the problem and the seriousness of any Portuguese decisons made concerning it) for a debate in the Assembly of the Republic, whereby the country would be informed of everything pertaining to Cabora Bassa and it would be possible to devise the course of action that would be more in keeping with the nation's interests. Deputy Jaime Gama may possibly want to assume responsibility for this matter, which he already considers "an absurdity and a scandal."

2909
CSO: 3442/240

BEIRA AEROCLUB REOPENED, PARACHUTE, PILOT COURSES OFFERED

Maputo NOTICIAS in Portuguese 14 May 86 p 7

[Text] The City of Beira Aeroclub has been reopened, and is currently operating under the supervision of the Aeroclub of Mozambique. The latter, in turn, in its coordinating capacity, that is, as a central aeroclub during this first phase, will send its most qualified parachutists to that part of the country to direct the work in this branch. It is also known that, on 18 May, the first "solo flight" of two pilots will debut.

The Aeroclub of Mozambique, in its capacity as a central aeroclub, has been carrying out its activity not only at the headquarters, in Maputo, but also in the city of Inhambane, where the first parachuting course was given in January 1985 to 24 students; in addition to being represented in training courses, improvement training periods, and world championships abroad.

The State Secretariat of Civil Aeronautics has now authorized the reopening of the Beira Aeroclub's parachuting department, operating under the supervision of the central aeroclub, which will send its most qualified parachutists to Beira for each jump session.

Subsequently, the parachuting departments of the cities of Nampula, Nacala, and Quelimane will resume their activities.

On 17 May, the central aeroclub's technical commission will travel from Maputo to Beira to hold meetings with local aeronautical authorities, with the Beira Aeroclub's administration, and also with the parachutists from the Beira Aeroclub's parachuting department.

With the mission of checking the operation and organization of the parachuting department, the program also includes contacts with the launching area, checking of the parachute equipment, retraining of the parachuting students and parachutists, doubling of the reserve and main parachutes, and jump preparation and demonstrations jumps by eight parachutists from the Mozambique Aeroclub (Maputo).

Baptism of Two Pilots

Scheduled for 18 May are jumps by the students from the Beira Aeroclub's parachuting department, from 2,000 feet, with automatically opening parachutes, and jumps by Mozambique Aeroclub parachutists.

The reopening of the City of Beira Aeroclub's parachuting department coincides with the "baptism" of the first "solo flight" by two pilots from the Beira Aeroclub's piloting department, who will take off next weekend under the observation of their instructors on land.

It should be noted that the Beira Aeroclub has piloting and parachuting departments in operation as a result of the effort and dedication of the current members of its administration.

Our reporter also learned that the Aeroclub of Mozambique, the State Secretariat of Civil Aeronautics, LAM [Mozambican Airlines], the Airports Enterprise, and the Air Force of Mozambique contributed greatly to making it possible to reopen the City of Beira Aeroclub's parachuting department.

2909
CSO: 3442/240

ICAO DELEGATION VISITS, TO DISCUSS AVIATION MATTERS

Met by State Civil Aviation Official

Maputo NOTICIAS in Portuguese 15 May 86 p 2

[Text] ICAO (International Civil Aviation Organization) field operations chief and assistant director of the bureau of technical assistance, K. Wilde, arrived yesterday morning in Maputo on a working visit to our country. The official will be with us for a week and is visiting Mozambique for the purpose of strengthening relations between his organization and our country. He was received at the International Airport of Maputo by the secretary of state for civil aviation, Angelo Chichava. K. Wilde heads an ICAO delegation, and during his stay among us he will be in contact with the permanent representative of the United Nations program in Mozambique and with the Ministry of Transport and Communications and its dependencies. Separate meetings have been scheduled with the Secretariat of State for Civil Aviation, the National Aviation School, and also with the SATCC.

Yesterday afternoon, the assistant director of the ICAO technical assistance bureau met with the PNUD [UN Development Program] representative resident in Mozambique.

ICAO is an international organization, with which our country is affiliated, that supervises civil aviation. It is presumed that its assistance to our country will include projects of our aviation authorities, specifically, training of mechanics and pilots, scholarships for other technicians, and even improvements of the main airports of the country. In recent years, Mozambique has made large capital investments in infrastructure for air navigational aids, which not only serve aircraft operating domestically but also those overflying en route to other destinations.

Received by Transportation Vice Minister

Maputo NOTICIAS in Portuguese 16 May 86 p 8

[Text] Vice Minister of Transport and Communications Rui Lousao yesterday morning received Keneth Knight Wilde, chief of field operations and assistant director of the technical assistance bureau of ICAO (International Civil Aviation Organizations).

AT the meeting they discussed the possibility of assistance by the organization to futuer development projects in Mozambique in this field, to be subsidized either by the PNUD [UN Development Program] or by other lenders or donors.

Areas discussed were air safety, training of technicians in aircraft maintenance, pilot training, the National Aviation School, and training of meteorological personnel.

Also yesterday morning, the visitor and his delegation initiated contacts with the Secretariat of State for Civil Aviation. The official responsible for that government branch, Angelo Chichava, introduced officers of each component of the Secretariat. Work continued here for the rest of the day.

This morning Keneth Wilde will visit the National Aviation School and will continue his conversations with the Secretariat of State for Civil Aviation in the afternoon.

Aviation School Praised

Maputo NOTICIAS in Portuguese 17 May 86 p 8

[Text] "Excellent organization. The work being done here is very good," said Keneth Wilde, assistant director of the bureau of technical assistance of ICAO, addressing Agapito Colaco, director of the National Aviation School.

The official of the International Civil Aviation Organization, who arrived in Maputo last Wednesday, visited the school yesterday. He inspected its installations carefully and was unstinting in his praise of what he was able to see.

The Aviation School, although relatively small in size, is equipped with modern means of instruction, allowing those trained there to enter on their careers with a high level of knowledge.

After his visit to the aviation school, which lasted all morning, Keneth Wilde continued in the afternoon the working sessions that had been initiated the day before at the Secretariat for Civil Aviation.

In these meetings with responsible officials of the various components of the civil aviation sector, the assistant director of the bureau of technical assistance of ICAO, who is also its chief of field operations, was better able to learn about our capacities and development plans.

A source connected with the Secretariat of State for Civil Aviation indicated that the conversations and contacts are being conducted in a very open manner so that the visiting delegation may gain the clearest possible view of the situation.

Today Keneth Wilde and his delegation will probably have a meeting with officials of the SATCC, continuing their work plan on Monday.

12942/6662
CSO: 3442/236

NIGERIA

PRESIDENT BABANGIDA CALLS FOR RESUMPTION OF JOINT COMMISSION

AB171357 Lagos Domestic Service in English 1200 GMT 17 Jun 86

[Text] President Ibrahim Babangida has called for a resumption of the biennial ministerial meetings of the Nigeria-Niger Joint Commission. He said the commission was the most viable organ for promoting virile cooperation needed to improve the economic and social well-being of both countries.

President Babangida was speaking in Niamey yesterday at a state banquet held in his honor by President Seyni Kountche. He stated that it was imperative that the commission should be strengthened to achieve the noble objectives for which it was set up. The two governments, Major General Babangida emphasized, must take into account their geographical, economic, historical and demographic affinities in the conduct of relations between them. The president called for identification and implementation of joint projects for a progressive development of the common resources of Nigeria and Niger. He noted that the lessons from the closure of Nigerian borders have been most instructive and demonstrated the inseperable common destiny of both countries. General Babangida, however, pointed out that there was never any intention by the federal government to punish or deliberately inconvenience Nigeria's neighbors. By reopening the borders, the president said the Nigerian Government had manifested its trust and confidence in its neighbors.

In his speech, the Niger leader, President Seyni Kountche, said that General Babangida's visit will give a new impetus to the cooperation between his country and Nigeria.

A Radio Nigeria State House correspondent, Clement Akintomide, covering the visit, reports that President Babangida arrived in Niamey yesterday to a rousing reception by over 60,000 people who lined the 20-km route from the airport to the presidential palace. He is accompanied on the visit by the minister of internal affairs, Colonel John Shagaya; the minister of national planning, Dr Kalu Idika Kalu; and the governor of Kaduna State, Lieutenant Colonel Abubakar Umar. General Babangida will meet the Nigerian community in Niger Republic before returning tomorrow.

/12858
CSO: 3400/035

NIGERIA

ROAD CONSTRUCTION, INTRODUCTION OF TOLLS REPORTED

Kaduna NEW NIGERIAN in English 30 May 86 p 24

[Article by Anene Ozoagu]

[Text]

TOLLS would henceforth be introduced into all four lane carriageways throughout the country by the federal government.

Disclosing this yesterday at a ministerial briefing in Lagos, Alhaji Abubakar Umar, Federal Minister of Works and Housing said that tolls collected on the highways would be used for the maintenance of those roads.

Alhaji Abubakar said that the new source of revenue generation would enhance the capacity of the ministry to maintain the highways more effectively.

He said that presently construction being handled by the ministry include 3,243 kilometres of single carriageways, 1,783 kilometres of road rehabilitation, 1,045 kilometres of road for concrete overlaying and 23 bridges under construction throughout the country.

Alhaji Abubakar told newsmen that in 1986 the highways division had a plan to maintain 9,537 kilometres of road by contract while another 3,000 kilometres would be maintained by direct labour.

Consequently, 18 more direct labour maintenance units would be established throughout the country, he added.

Added to this, 50 million Naira would also be spent to provide necessary workshops, vehicles plants and equipment over the next three years, he said.

Alhaji Abubakar said that with the aforementioned, the units would collectively undertake the maintenance of 8,000 kilometres of bituminous surface roads and 6,000 kilometers of earth roads.

/9317
CSO: 3400/072

COMMAND, STAFF COLLEGE CELEBRATES 10TH ANNIVERSARY

Commandant Omu on Jaji Accomplishments

Kaduna NEW NIGERIAN in English 31 May 86 pp 1, 3

[Article by Tony Ikeakanam]

[Text]

THE Commandant of the Command and Staff College (CSC), Jaji, Major-General Paul Ufuoma Omu, has said that a total of 2,551 officers have been trained at the institution since it was established ten years ago.

He said, on the occasion of the institution's tenth anniversary that out of this number, 1,172 attended the senior officers course while 1,379 attended the junior officers' course.

The commandant, a member of the Armed Forces Ruling Council (AFRC), said 49 out of this number were foreign military officers.

He said the foreign officers came mainly from African countries such as Ghana, Tanzania, Zimbabwe, Uganda and Sierra Leone. He said Botswana, one of the Frontline States, has indicated interest in the Jaji programme.

General Omu further said out of all the countries, only Ghana had an exchange programme with Nigeria. Under this programme, he said, two Nigerian military officers are currently serving as directing staff (instructors) at the Ghana Armed Forces Staff College, Teshi, Accra, while two Ghanaian officers are also performing similar functions at the CSC.

General Omu described the training at the institution as "a hurdle which every officer must have to cross" because of its relevance in the career plan of the officers.

He said with the establishment of the tri-service college on May 29, 1976, the services had been saved the acute admission problems for Nigerian officers in overseas military institutions.

He added that this had in turn saved the nation a large amount of foreign exchange.

The commandant said "it costs about 15,000 Naira to train an officer at Jaji", adding that this would certainly have been more if the courses were done overseas.

On the contribution of the institution to national development, General Omu said while this might not be quantifiable in terms of Naira and Kobo, the fact that the institution prepared officers to take higher responsibilities was an insurance for greater internal security "which is necessary for the other sectors to contribute to the development of the nation."

The commandant said last year three civilian public officers were admitted to the institution's programmes, stating that the experiment had been repeated this year.

He said the inclusion of civilians had nothing to do with the military in government but was only a gesture aimed at promoting better understanding between the military and civilians who often found themselves making policies or taking decisions that affected the services.

On the issue of Nigerianization of the institution's staff, General Omu said this had been a continuous process in the life of the college.

He said out of a total of about 45 expatriate staff, the college would be left with between five and ten by next December.

He assured that this would not affect the institution's international standards as it would still continue with the practice of inviting guest lecturers from similar overseas military institutions and the universities.

History, Facilities, Programs of College Reviewed

Kaduna NEW NIGERIAN in English 31 May 86 p 5

[Article by Tony Ikeakanam]

[Text]

BEFORE 1976, a road traveller, from Kaduna to Zaria, would unconsciously zoom past the small town called Jaji. That was because Jaji was like many other small towns that dot the route. But by 1976, Jaji which lies half way between Kaduna and Zaria (a distance of about 82 kilometres) had acquired a new status. And this new status drew to it both national and international attention. Later in 1978, Jaji was to come into the greater consciousness of Nigerians through former Head of State, Major-General Olusegun Obasanjo. In what has become popularly known as the Jaji "Jaji Declaration," General Obasanjo had talked about the need for moral rectitude in the nation.

Five years before the formal launching of the War Against Indiscipline (WAI) the general had identified indiscipline as the bane of the Nigerian society. His attempt at a solution gave birth to the concept of "low profile" in statecraft. Somehow, since Obasanjo, many Nigerians have looked up to Jaji as a spot for vital policy statements. The reason is that once every year, an incumbent Head of State must perform the ritual of delivering the key speech at the graduation ceremony of Nigeria's prestigious Command and Staff College — the institution that has given Jaji its new status. The CSC was exactly ten years old two days ago.

The plan for the establishment of the Command and Staff College (CSC) Jaji began in 1975 as a way of meeting the training needs of the military Services. With an officer corps which had grown ten-fold the projected strenth, it became increasingly difficult to get the required vacancies in overseas military institutions.

The Army which had grown from 10,000 to 25,000 as a result of the civil war, was mostly affected. Thus with the assistance of a British Army Advisory Team (BAAT); the first Senior Army Officer Course (SOCI) was started on May 27, 1976. It lasted six months. A second course of the same duration was organised in 1977. According to Major-General Ufuoma Omu, the incumbent Commandant and the 6th in the line of succession that started with Brigadier G.O. Ejiga, Major-General J.O. Bajowa, Major-General M.I. Wushishi, Major-General D.Y. Bali, and Major-General A.O. Aduloju, the first set of courses were principally designed to clear the back log of senior Army Officers who had not passed through Command and Staff College. It was not until 1977 that the first full course of one year duration designated "the Army Command Staff Course" took off. Sixty-two Army officers, two Nigerian Naval Officers, two Air Force Officers and two Army Officers from Guyana in the West Indies attended that course.

However, folowing the decision to establish an Air Faculty in 1978, it became necessary to redesignate the institution. The name Command and Staff College Jaji was most appropriate. The eventual establishment of a Naval Faculty in 1981 made the college a full fledged tri-service institution with senior and junior divisions. An amalgam of the instructions given in the United Kingdom Staff Colleg at Camberley (Army), Greewish (Navy) Bracknel (Airforce) and Latiner (Joint Service) was fashioned and

tailored to meet Nigerian requirements. One result of the establishment of the CSC, especially in these parlous times is that Nigeria has been able to save a lot of scarce foreign exchange, that would otherwise have been used for overseas training. Major-General Omu put an estimate of the expenses incurred in training a student at about 15,000 Naira. The amount would certainly double for a similar course Overseas.

So far, 1,172 students of the senior divisions which is largely made up of senior captains and majors for the Army, Lt-Commanders and Commanders for the Navy and Squadron Leaders and Wing Commanders for the Air Force have passed through the college. One thousand, three hundred and seventy nine (1,379) junior officers of the ranks of very junior captains for the army, Flight Lieutenants for the Air Force and Lieutenants for the Navy have attended the junior division course till date. The junior division courses are short-term courses preparatory for the main course which the Commandant described as a "hurdle which every officer must have to cross" because of its relevance to the career plan of an officer. Those who successfully cross this hurdle wear the prestigious Psc (Passed staff college) tag.

Among those who have crossed the CSC hurdle so far are forty nine foreign students. They are mainly from African countries such as Ghana, Tanzania, Zimbabwe, Uganda and Sierra Leone. Military officers from Guyana in the West Indies are also on the list. Botswana, one of the fornline states, has indicated interest in the programme. According to Major-General Omu, Nigeria and Ghana maintain an Exchange programme of Directing Staff (Instructors). Currently, two Ghanaian military officers are at Jaji for this purpose. On the other hand, two Nigerian military officers are performing similar functions at Ghana Armed Forces Staff College - Teshi Accra

While Nigeria does not maintain an exchange programme with Britain for obvious reasons, the CSC had drawn most of its expatriate staff from the United Kingdom. But according to the Commandant, there has been a steady process of Nigerianization, which he hoped would by December this year reduce the expatriate staff strength to about five or 10. The reduction of expatriate staff strength would not, however affect the regular practice of inviting guest lecturers from renowned military institutions the world over. Major-General Omu said his college relies heavily on such guest lecturers from Nigerian universities and elsewhere.

He observed that in its ten years of existence, the CSC has been able to maintain standards comparable to Overseas institutions of similar status such as; the Defence Services Staff College, Wellington (India), United States Army Staff College. Command and Staff College Quetta (Pakistan) and the Canadian Land Forces Command and Staff College, Kingston, Ontario.

Last year, the CSC introduced a new dimension to its student intake, when it admitted three civilian public servants for the programme. Each of them represented an arm of the services. The experiment has been repeated in this current session (CSC8). General Omu said that the purpose is to promote better understanding between the military and the civilians who might find themselves in positions to make policies or take decisions that would affect the Services. He said the Jaji experience would make them appreciate better the problems of the military. He hoped that in the near future, the civilian intake would be increased.

There is too, a two-week programme with the Nigeria Police College, Jos. The programme, the Commandant explained, offers the police the opportunity to rub minds with the military in matters of internal security and revolutionary warfare.

Looking ten years backwards, when he and other senior officers pioneered what is now the Command and Staff Colleges, Major-General Omu said the CSC has made great strides in so short a time. He recalled that he was selected to attend the course in 1976 by which time he was the Governor of Cross River State. Because the college was just taking off, many things were inadequate. Water, for instance he was a big problem. In those days he reminisced; "you had to fetch water yourself to flush the toilet". But this is not so today. The CSC has a regular supply of light and water. The commandant described his present post which he has held for two years, as his best posting since he joined the army 24 years ago. The great personal satisfaction he derives from heading the college is responsible for his drive to uplift it to

greater heights. He noted that although the contribution of the institution cannot be exactly quantified in terms of Naira and Kobo, the courses prepare the officers to assume greater responsibilities in their traditional role of providing internal security and national defence, which are very necessary, if all the other sectors would meaningfully contribute to national development.

Driving around the well-tarred streets of the campus, the reporter could see concrete signs of development, new projects such as the Work Production Centre, which according to Major S.A Wyse, the institutions spokesman would be responsible for all the printing and paper work of the institution. There is also a modern central lirarary well stocked with over 20,000 books, pamphlets and magazines and even 1986 editions of military science and international relations journals.

The new quarters for non-commissioned officers in the college, Major Wyse said are good testimonies of the astute financial management of the commandant. He said the flats were built '. . by squeezing out some money from the normal running cost of the institution. Last year, a branch of the National Bank was opened within the college. There is also a National filling station, a modern super-market to meet the immediate needs of staff and student officers. Within the campus are two primary schools one of which is fee-paying. During long locations, the institution runs a summer school for students at a token fee of ₦5.

A beautiful children's park has been built for the relaxation of the children. Thei parents, student officers have modern sporting facilities for such games a golf, squash, badminton, football etc. Of course the facilties in any military barrack would not be complete without an officers' mess. The campus boasts of an officers' mess/Infantry Club. The infantry club has such facilities as a modern Disco-Hall, a restaurant - a cinema hall and two hair dressing salons. Major Wyse said most of these facilities were either built or ungraded to their present level in General Omu's tenure. He said the existence of these social amenities on campus has minimised shuttling out of campus for one thing or the other. This has in effect reduced staff and student death rate along the Kaduna—Zaria road, whose hazards are bad enough to merit a place in the Guiness Book of Records.

At the end of a visit to the college one comes away with the feeling that he has visited a town within a town. But the 'town' of CSC certainly eclipses the growing town of Jaji. Such is the magnitude of its impact and development in its ten years of existence that the name Jaji, has become synonymous with the Command and Staff College.

/9317
CSO: 3400/073

NIGERIA

KANO STATE GOVERNMENT REHABILITATION OF GROUNDNUTS

Kaduna NEW NIGERIAN in English 29 May 86 p 16

[Text]

THE Kano State Government has set aside a million Naira to reactivate groundnut in the state, Commissioner for Agriculture and Natural Resources, Alhaji Musa Shuaibu, has said.

He said that the money would be used to buy seeds, seed dressings, fertilizer, insecticides and their applicators for sale to farmers at subsidized rates. He said the government would also go into direct production of groundnut.

He said the gove.. ..ent would buy 30,000 tonnes of fertilizer, 90 tonnes of insecticides and herbicides, 10,000 units of chemicals sprayers and 15,000 units of small irrigation pump, for sale to the farmers.

Other inputs to be bought, he said, included 8,000 tractor-drawn implements, 1,000 units of cereal seed grinders and 2,500 tonnes of poultry feed and animal medication.

The commissioner said the government had earmarked 5.8 million Naira for the purchase of surplus grains and that 1,850 tonnes of millet, 1,980 tonnes of guinea corn and 1,500 tonnes of maize had so far been purchased from farmers.

Alhaji Musa said last year, the government constructed 15 stores, with a total capacity of 3,650 tonnes in various parts of the state for grain storage and that 120 others would be constructed this year, one in each local government area.

/9317
CSO: 3400/072

BRIEFS

AID FOR NONALIGNED MOVEMENT--Harare--Nigeria yesterday gave Zimbabwe one million U.S. dollars (about R2.27 million) in cash to help stage the forthcoming summit of the 101-nation Nonaligned Movement in Harare. The meeting from August 26 to September 7 is expected to cost R68-million and Zimbabwe has asked other members for donations of money and goods to cover about half that amount. The Nigerian donation was made by high commissioner (ambassador) Sanni Bello to the Deputy Prime Minister, Mr Simon Muzenda.--SAPA-REUTER [Text] [Johannesburg THE CITIZEN in English 29 May 86 p 10] /9365

GOVERNMENT TO DONATE NAVAL VESSEL--Nigeria is to donate a naval boat worth about 1.5 million naira to the Government of Equatorial Guinea to enable it to establish its own navy. The boat will be formally handed over at a ceremony in Conakry, capital of the Equatorial Guinea, on 27th of this month. The Nigerian ambassador to that country, Navy Captain Festus Porbene, announced this yesterday when he visited the Rivers State Broadcasting Corporation in Port Harcourt. He commended the FM station of the corporation for its high quality broadcast and disclosed that the station was well received in Equatorial Guinea. He said that Nigerians living there were proud of the radio station. [Text] [Lagos Domestic Service in English 1200 GMT 17 Jun 86] /9365

FOREIGN MINISTER SPEAKS ON SOWETO DAY--Nigeria has said that she has a responsibility to be involved in the great struggle to free South Africa from the yoke of apartheid and human degradation. In a broadcast to mark the 10th anniversary of the Soweto massacre yesterday, the minister of external affairs, Prof Bolaji Akinyemi said Nigeria sought no other reward than the satisfaction of knowing that when the history of the struggle was written, it should be said of her that she had the courage to join and the strength to (?keep the peace). [Text] [Lagos Domestic Service in English 0600 GMT 17 Jun 86] /9365

CSO: 3400/037

TANZANIA

BRIEFS

BRIDGES REPAIRED--Six bridges along the central railway line have been rehabilitated under the on-going rehabilitation project involving 23 bridges along the German-built line. According to the site manager of the Yugoslav fire--Montmontaza--undertaking the rehabilitation work. Ladislav Klasic, work on the remaining 19 bridges would be completed by the end of next year. The project, involving bridges along the Dar es Salaam-Kigoma route, has been jointly financed by the Tanzania Railways Corporation (TRC) and a West German bank at a cost of 110m/-. The six completed bridges, are Mikumi, Kilosa, Zuzu, Kazikazi, Bahi and Saranda. [Text] [Dar es Salaam SUNDAY NEWS in English 18 May 86 p 1]/12828

MUSLIM SOCIETY FORMED--The formation of a Muslim body for east, central and southern Africa has been agreed by delegates from the 15 countries attending the meeting in Bujumbura organised in January by the Islamic Call Society of Libya. The secretary general of the Tanzania National Muslim Council said that 20 countries would be grouped in the body. [Text] [Paris AFRICAN DEFENCE JOURNAL in English Mar 86 p 26]/12828

CSO: 3400/021

PRESIDENT ADDRESSES CABINET; CONFIRMS PLANS TO REJOIN OAU

Kinshasa ELIMA in French 4 May 86 pp 7-8

[Text] The President-Founder of the MPR, President of the Republic, Marshall Mobutu Sese Seko last night presided over the first monthly meeting of the Executive Council aboard the MS-Kamanyola. In a statement to the press issued at the end of the meeting, the Council spokesman stated that the president-founder confirmed that Zaire will resume its place in the OAU during its next session after the departure of the Democratic Saharan Arab Republic from the Bureau of the Panafrican Organization.

The minister of information, press and PTT stated that prior to this announcement, the party chief, during a moral lecture with strong political ramifications, once again discussed the principles that must govern the actions and the behavior of government ministers and secretaries of state.

More details are provided below in the complete text of the statement to the press made by the minister of information, press and PTT, Citizen Ramazani Baya.

On Friday, 2 May 1986, the president-founder of the Popular Movement for the Revolution, President of the Republic, Marshall Mobutu Sese Seko presided over the first weekly meeting of the Executive Council for the current month aboard the presidential yacht MS-Kamanyola.

The agenda for the meeting contained the three following items:

- the moral lecture by the president-founder of the MPR and president of the republic;

- the foreign policy of the Republic of Zaire; and

- some domestic policy issues.

During the Friday meeting held after the reorganization of the Executive Council of last 18 April, the party chief, in a moral lecture with strong political ramifications once again focused on the principles which must govern the actions and the behavior of government ministers and secretaries of state, citing a certain number of obligations on their part.

More specifically, these relate to a sense of the dignity of their position and of the secrecy of Council deliberations, of loyalty to the chief, of solidarity in Executive Council decisions and of the propriety of relationships between members of this party organ.

Placing special emphasis on the nationalism which party leaders must display at every level, the president-founder invited each Executive Council member always to place the interests of the Republic of Zaire ahead of every other consideration, particularly under the current economic situation, at a time when the country is sparing no effort to overcome the economic crisis it faces.

The president-founder of the MPR, president of the republic, then spoke of party discipline, reminding the ministers and the secretaries of state of the great significance of the oath of office which, far from being a simple display of protocol, represents a formal and public obligation to an important political function and a new life.

The president-founder also decried influence peddling centered around him undertaken by certain party leaders.

Foreign Policy: Zaire-OAU-Belgium

In the foreign policy arena, the president-founder of the MPR, president of the republic confirmed that Zaire would resume its place in the OAU during its next session, after the departure of the Democratic Saharan Arab Republic from the Bureau of the Panafrican Organization.

In addition, the party chief expressed hope that he would see cooperation between Zaire and Belgium develop in the future without complexes or restrictions, also affirming Zaire's desire to maintain harmonious relations with all of its neighbors and its particularly close ties with Angola.

In this respect, he indicated that Zaire would never act as a base for the destabilization of her African sister nations. The president-founder specified that agreements between the Angolan rebel movements and certain European and American countries did not concern Zaire, which defines her foreign policy independently, maintaining full sovereignty, and as a function of her own geopolitical interests.

Domestic Policy: The Bank of Kinshasa Issue

Finally, on the domestic policy front, the Council reviewed the report prepared by the Bank of Zaire on the Bank of Kinshasa situation. After debate and discussion, it was decided that this issue would be subjected to in-depth analysis to enable the president-founder of the MPR, president of the republic to make a final resolution.

Finally, the Council members heard the report of the minister of planning on the work of the 8th meeting of the consultative group on Zaire held at World Bank headquarters in Paris on 21 and 22 April 1986 which resulted in a total commitment of over $1 billion--$462 million in 1986 and $591 million in 1987.

Zaire believes that these results are positive especially since her partners have agreed that her financing needs must be met by debt rescheduling agreements, by more material support from the IMF, and by a substantial increase of the flow of private and public capital oriented toward the priority projects of its 5-year plan.

12798/9738
CSO: 3419/260

FOREIGN PRESS ACCUSING ZAIRE ON ARMS TO UNITA

Kinsha ELIMA in French 5 May 86 p 15

[Excerpt] Members of the sensationalist South African and American press and certain political circles traditionally hostile to Zaire have tried unjustly to implicate the Republic of Zaire in the supply of American arms to UNITA, the Angolan opposition movement struggling against the Luanda regime.

In response to this, IZVESTIA, the mouthpiece of the Supreme Soviet, the Soviet Union's Parliament, in an article reprinted by TASS on Friday, 2 May 86, provides an analysis on which Agence Zaire Presse offers no comment but reserves the right to reproduce the main passages. IZVESTIA states and we quote: "In an attempt to cause deterioration of relations between Angola and Zaire, Washington is spreading rumors according to which American Stinger rockets destined for the counterrevolutionary UNITA group will not pass through the RSA but through Zaire. In an article on this subject, the newspaper IZVESTIA, commenting on the recent visit to RSA of CIA Director William Casey, wrote that one feels the hand of an experienced agent provocateur behind these efforts to damage the relations between two neighboring countries.

12798/9738
CSO: 3419/260

ZAIRE

FRENCH ELF-AQUITAINE DELEGATION DISCUSSES PROJECTS

Kinshasa ELIMA in French 15 May 86 p 7

[Article by Mbiya Muena Mpala: "Profitable Contacts Between French Elf-Aquitaine Groups and Zairian Industrialists"]

[Text] There was an important working session last Friday in ANEZa's meeting room between the delegation from Elf-Aquitaine, the French industrialist group looking for business opportunities in Zaire, and Zaire's industrialists. This working session was presided over by Citizen Ndongala, administrator-delegate from ANEZa, who, after welcoming the group of French industrialists, expressed his delight over French participation in some economic projects in Zaire by citing the case of SOTEXKI and so many others which contribute effectively to the socioeconomic development of our country. Citizen Ndongala, after recognizing the importance of the Elf-Aquitaine group at the level of financing, expressed his hopes for profitable contacts with the economic operators of Zaire.

Beforehand, Mr. Pierre Thiran, secretary-general of ANEZa, had made a presentation on the structures and organization of ANEZa. ANEZa, which is the representative of management in Zaire, includes about 2,400 members and 34 professional committees. The association, which maintains constant contacts with the authorities, has achieved profitable results by obtaining the economic liberalism decreed by the executive council.

Count Bertrand de la Tribouille, head of the group's delegation, introduced all the members of this delegation, each one of whom spoke in turn to explain his activities in the different sectors. With several subsidiaries, the Elf-Aquitaine group does something on the order of FF 200 million worth of business. Last year, it realized a profit of FF 1,400,000,000, a performance which clearly shows the group's strength.

Let us recall that the purpose of this French industrial mission's trip is to make contacts within the framework of looking for business opportunities, and its aim is to set up industrial plants in Zaire, notably in the fields of agribusiness, conversion, transportation, and petroleum. To these, one must add storage silos in small towns and material for treating drinking water, as well as the country's other vital sectors.

Let us likewise point out that Citizen Ndongala explained to the members of the French delegation the immediate needs which are of interest to Zaire's industrialists within the framework of the 5-year plan which has just gotten underway.
9895/9435
CSO: 3419/258

ZAIRE

WOMEN GIVEN EQUAL STATUS IN MILITARY FORCES

Kinshasa ELIMA in French 1 May 86 pp 1, 7

[Excerpt] In a message, Marshal Mobutu announces that from now on, female military personnel will be on an equal footing with their male counterparts on the Army career ladder. Female military personnel of the Zairian Armed Forces will be, by law and in fact, on the same status as male military personnel on the Army career ladder from now on.

This decision by Marshal Mobutu Sese Seko was contained in the message that he delivered to the female citizens in uniform who were celebrating the 20th anniversary of their admission into Zairian Armed Forces at the CETA camp on Tuesday. Presiding at the military review ceremony organized for this occasion was Mama Bobi Ladawa.

To put this decision into effect, the supreme commander of the Zairian Armed Forces repealed the basic code which in 1976 brought about the creation of the female military personnel corps of Zaire's Armed Forces. The regulations governing such a corps, dealing with the above-mentioned code, have likewise been repealed.

The chief of state's message was read by Army Corps General Likulia Bolango, secretary of state for national defense and territorial security.

Marshal Mobutu Sese Seko's anniversary present to the women in uniform is justified by the fact that, during these 20 years that they have been in the Zairian Armed Forces, they have proven their aptitude to exercise the military art. Consequently, the Guide considers, and rightly so, that developing a separate status for female military personnel behind corporate facades can only mask unacceptable discrimination which is degrading to women.

From now on, Zaire's female citizens who have chosen to serve their country in uniform can be promoted to all posts in administration, command or other specialities that their male colleagues can exercise, provided, of course, that they satisfy the same criteria, the Guide's message specifies.

In accordance with this decision, Gen. Likulia announced that the doors of the high military center, beginning this year, are open to any woman who feels

herself capable of competing on the exams for command and staff. All military schools will be accessible to them. So one will be able to find, for example, young men and young women side by side, aspiring to be officers at the officers' training school in Kananga. Likewise, all training courses planned and organized for male military personnel will be equally accessible to female military personnel from now on.

Marshal Mobutu, who appreciates the value of Zaire's female citizens, is convinced that they are capable of many things, just as their male companions are. That is why he has confidence in them and is once more offering them the opportunity to put their talents to work. So the supreme commander has just put the finishing touches on his task of totally integrating Zaire's women into the Army by knocking down the last barriers which hindered their career advancement in the Zairian Armed Forces.

Since the dawn of the second Republic, Guide Mobutu, brushing aside closed mindsets and traditions, has undertaken the emancipation movement of Zaire's women and their integration into all sectors of the new nation's life. Today women participate in all the party's proceedings at the conceptual, decision-making and enactment levels.

9895/9435
CSO: 3419/258

ZAIRE

BRIEFS

FRENCH INDUSTRIALISTS--A group of French industrialists, led by Count Bertrand de la Tribouille, was received yesterday morning by First State Commissioner, Citizen Kengo wa Dondo, a member of the Central Committee and Politburo. The purpose of the trip of this French industrial mission is to make contacts to investigate business opportunities and eventually to establish industrial plants in Zaire, notably in the fields of agribusiness, conversion, transportation and perhaps petroleum. During its stay in Zaire, this group, which is an official delegation representing numerous French companies, will make extensive contacts. Sponsored by France and Zaire, the mission held talks with officials from the planning department. Other working sessions will take place with departments interested in Zaire's development within the framework of the 1986-1990 5-year plan. The results of this mission will be evaluated in the coming months. We should recall that this mission, 13 people strong, arrived in Zaire last 5 May with a view toward participating in the 1986-1990 5-year plan and to create bonds of cooperation between French and Zairian economic circles. Besides the Elf-Aquitaine delegation, which is concerned with oil exploration, refining, marketing and maritime trade, it is of interest to point out the presence of members of the SOPRA firm, which specializes in setting up banking systems and personnel management programs; Saint Gobin, specializing in agribusiness; and Ifotec, specializing in industrial software. [Text] [Kinshasa ELIMA in French 9 May p 7] 9895/9435

UBANGUI RIVER NAVIGATION PROJECT--Citizen Malundama Kobo, administrative director of river control, announced on Monday that the construction of a dam to maintain the low-water mark of 700 cubic meters outflow per second upriver from the Ubangui River is being considered in expectation of an increased flow in the Zaire River. In making his announcement, Malundama Kobo referred to a recent study by the French bureau Sogreah. Initiated by the World Bank and PNUD, as part of the project to free the Central African Republic from being cut off by Zaire, this study constituted the backdrop for the meeting this past 19 to 21 April in Brazzaville which brought together experts from the offices of river traffic control and dredging from the Central African Republic, the Congo and Zaire, who operate on this main northern tributary of the Zaire River, the common border of the three countries. Citizen Malundama, who led the delegation from Zaire to this meeting, indicated that the experts concerned, following the study's recommendations, looked carefully into the definition of a development program for the Ubangui River bed, its cost as well as pertinent the organizational measures. The study estimates the Central African Republic's export-import commercial traffic using the Zaire River via the Ubangui to be 208,000 tons. [Text] [Kinshasa ELIMA in French 8 May p 10] 9895/9435
CSO: 3419/258

ZAMBIA

BRIEFS

TAZARA RAIL BRIDGE DOWN--Traffic on the Chinese-built Tazara railway linking Zambia's Copperbelt with Dar-Es-Salaam has been disrupted following the collapse of a bridge in Tanzania. Zambia's Transport Minister Enos Haimbe said thousands of tons of goods were trapped at Kapiri Mposhi, the Zambian terminal and at Dar-es-Salaam. [Text][Johannesburg THE CITIZEN in English 30 May 86 p 11]/12828

SWEDEN PLEDGES REFUGEE CAMP, AID--Sweden has pledged about R5 million to build a camp for more than 14000 refugees who have flocked to eastern Zambia from famine and fighting in Mozambique, the Times of Zambia reported yesterday. The newspaper quoted the United Nations commissioner for refugees, Mr Musyani Simumba, as saying that the camp with a school and clinic will be built at Msanzala in the Petauke district. The UN agency is this year spending more than R500 m to help five million refugees in Africa. [Text] [Johannesburg THE CITIZEN in English 13 Jun 86 p 12]/12828

CSO: 3400/022

HISTORY OF EMERGING RIGHTWING AFRIKANER GROUPS TRACED

Johannesburg SUNDAY STAR in English 8 Jun 86 p 8

[Article by Andrew Beattie]

[Text]

THE LAST few years have seen a mushrooming of extra-parliamentary rightwing organisations launched to fight the Government's reforms.

While many of them have not affiliated to any umbrella political grouping — as groupings on the left have affiliated to the United Democratic Front or the National Forum — a large percentage of them subscribe to the ideals of the defunct Boer republics.

While it is difficult to gauge the support of many of these groups, the recent alliance struck between the Conservative Party, the Herstigte Nasionale Party, the Afrikaner Volkswag and the Afrikaner Weerstandsbeweging clearly creates a force the ruling National Party will have to reckon with.

In the last general election in 1981, the National Party won 778 371 votes — 53,32 percent of the whites-only electorate.

The Progressive Federal Party, which has since then suffered the losses of two of its top leaders in Dr Van Zyl Slabbert and Dr Alex Boraine, won 265 297 votes, with the Herstigte Nasionale Party in third place with 191 249 votes, or 13,1 percent of the electorate.

The HNP did not win any seats in Parliament, but later won Sasolburg in a by-election.

Dr Connie Mulder's National Conservative Party won 19 149 in that election, and later merged with the Conservative Party which was formed on March 20 1982 and is led by Dr Andries Treurnicht.

Initially 16 Nat MPs broke away to join the CP, with another Nat joining later.

Later the CP's parliamentary tally was taken up to 18 when the Conservatives won Waterberg from the Nats.

The Afrikaner Volkswag was formed on May 4 1984 to take up the cudgels on behalf of the Right.

Seven thousand people attended the launch in Pretoria. Their chairman is former Broederbond chairman Professor Carel Boshoff.

At the time of the founding 18 000 acknowledgements of interest in membership were received.

Last year Professor Boshoff was narrowly re-elected head of the 50 000-strong Voortrekker youth movement, after moves led by the Afrikaans Press to oust him.

The Afrikaner Weerstandbeweging was formed by former policeman Mr Eugene TerreBlanche and six others in a Heidelberg garage in 1973.

The organisation originally operated secretly but came into the open after their members tarred and feathered Professor Floors van Jaarsveld, a historian who was delivering a lecture on the desanctification of the Day of the Covenant at Unisa in 1979.

The AWB's goal is the creation of a partyless Volkstaat. Their president would be elected by white Afrikaners and government would be run by various specialist representatives.

In 1979, the **Blanke Volkstaatparty** was formed in Wonderboom by, among others, Mr TerreBlanche, but appears to be redundant in the wake of the recent successes of the

Another group with similar aims is **White Homeland Action**, formed in August 1984. Their leader is Dr Almar Swart, now active in AWB circles.

He was the former leader of the Afrikaner **Ele Toekoms**, an organisation which was formed to investigate the feasibility of white homelands.

The Boerestaat Komitee, headed by "Boerestaat" author Robert van Tonder, also aims at the recovery of the Boer Republics for the Afrikaner volk exclusively.

The Oranjewerkersvereniging, based in Morgenzon, believe they are already implementing the concept of a white homeland. Their leader is Professor Hercules Booysen, of Unisa's department of Constitutional Law.

Die Boervrou, led by Dr Baba Johanna Boshoff, a Heidelberg teacher and wife of a dominee, is a group along similar lines as Mrs Marie van Zyl's **Kappiekommando**.

The Transvaal Separatists, who insist that the Transvaal belongs to the Boers alone, have been publicising themselves extensively recently at rallies organised either by the broad Right or the AWB.

In a pamphlet the group says party democracy is "a foreign British imperialist invention which is artificially imposed on Afrikaners.

And then on the extreme Right is the **Blanke Bevrydingsbeweging**. Even Mr TerreBlanche wants no involvement with them, saying they are "mentally sick".

/9317
CSO: 3400/005

NATIONALIST MP'S ADMIT MISTAKE OF INFLUX CONTROL

Johannesburg THE STAR in English 14 Jun 86 p 10

[Text]

CAPE TOWN — Nationalist MPs have admitted openly that the Government's influx control measures have been a mistake and a dismal failure.

One of the most outspoken critics was Mr Andre van der Walt (NP Bellville) who said no other measure had marred black-white relations more than influx control had done.

He spoke in the House of Assembly's debate on the Abolition of Influx Control Bill, described by both the Government and the Progressive Federal Party as an historic measure.

His condemnation of influx control drew hostile reaction from the Conservative Party.

BLACK TIDE

The discussion was largely overshadowed by events that preceded this week's declaration of a state of emergency.

Mr van der Walt said the influx control measures had failed to stem the tide of black people moving to urban areas for purely economic reasons.

Action taken against black people under influx control measures became "an evil cycle of prosecution, indictment, conviction and release."

Often people were arrested again within two months for the same offence.

In the last two years alone 280 000 black people had been prosecuted under influx control measures.

Black areas such as Crossroads, Atteridgeville, Mamelodi and Zwide were "beacons on the road, showing the failure of influx control measures."

Mr van der Walt said no orderly or stable black community could be established under the circumstances created by the measures.

The system had contributed to a basis of conflict, distrust, discrimination and hatred.

It was a basis through which many families were forced back into slum conditions.

"We say it lies behind us and we want to have nothing more to do with it. It is a sombre and morbid reality of the black man in the cities.

"It is a reality from which we cannot escape. That is why we are closing the book today."

South Africa's interests were not served by the influx control system. The continued existence of whites was threatened and not protected by the measures.

/9317
CSO: 3400/005

SOUTH AFRICA

'GAG ORDERS' IMPOSED ON ORGANIZATIONS

Districts Affected

MB210939 Johannesburg SAPA in English 0938 GMT 21 Jun 86

[Excerpt] Pretoria, 21 June, SAPA--Gag orders were slapped on scores of well-known organizations in terms of the emergency regulations by the commissioner of the western province divisional police, Brigadier Chris Swart, today. Orders prohibiting the publication in six Cape magisterial districts of any utterance of an office bearer or officer of the organizations were promulgated in the GOVERNMENT GAZETTE today in terms of Emergency Regulation 7 of the Public Safety Act.

The organizations affected include the Azanian Peoples Organizations, the Congress of SA Trade Unions, the Detainees Parents Support Committee, the End Conscription Campaign, the National Union of South African Students, the Release Mandela Campaign and the United Democratic Front. It is now illegal to publish comment from these organizations on the emergency.

The six districts are those of the Cape, Smonstown, Wynberg, Goodwood, Bellville and Kuils River.

Alphabetical List

MB211251 Johannesburg SAPA in English 1249 GMT 21 Jun 86

[Text] Pretoria, 21 June, SAPA--The complete list of organizations follows: Ad Hoc Detention Action Committee, Advice Office Forum, African Patriotic Front, Athlone and District Youth, Athlone Student Action Committee, Azanian National Youth Unity, Azanian People's Organization, Azanian Students Movement, Azanian Students Organization, Avondale Tenants Association, Belhar Civic Association, Bellville Civic Association, Bellville Residents Association, Bellville South Housing Action Committee, Bishop Lavis Student Action Committee, Bonteheuwel Civic Association, Bonteheuwel Interschools Congress, Call of Islam, Cape Action League, Cape Youth Congress, Cape Areas Housing Action Committee, Civic Association of Bellville, Concerned Parents, Students, Teachers and Residents, Civic Rights League, Congress of South African Trade Unions, Conscription Action Group, Consumer Boycott Action Committee, Consumer Support Committee,

Crossroads Coordinating Committee, Detainees Concerned Committee, Detainees Parents Support Committee, Ecumenical Action Movement, Education for an Aware South Africa, Elsiesrivier Civic Association, End Conscription Committee, End Conscription Campaign, Federation of Parents, Teachers and Students Association, Federation of South African Women, Gleemor and Cape Flats Civic Association, Grassy Park Ratepayers Association, Grassy Park/Lotus River Residents Association, Hanoverpark Civic Association, Hanoverpark Student Action Committee, Heathfield Ratepayers Association, Heideveld/Vanguard Civic Association, Houtbay Action Committee, Inter-Church Youth, Inter-Regional Forum, Joint Council of Teachers Association, Joint Students Representative Council, Kensington/Factreton Ratepayers and Tenants Association, Kewton Residents Association, Kairos Action Group, Kairos Committee, Kraaifontein Civic Association, Kuilsrivier Burgerlike [Civic group] Vereniging, Kuilsrivier Civic Association, Lansdowne Ratepayers and Tenants Society, Lavender Hill Residents Association, Lotus River/Ottery/Grassy Park Students Action Committee, Mitchells Plain Coordinating Committee, Modderdam Civic Association, Mowbray Interrace Group, Muslims Against Oppression, Moslim Students Association of South Africa, Muslim Youth Movement, National Education Crisis Committee, National Forum Committee, National Union of South African Students, National Women's Federation, National Women's Organization, National Youth Organization, New Unity Movement, Organizations United Against Traitors, Parents Action Committee, Parents Concern Committee, Parent, Teacher and Student Association, Pupils Action Awareness Group, Qibla, Ravensmead Residents Action Committee, Release Mandela Committee, Release Mandela Campaign, Retreat (ward 17) Ratepayers and Tenants Association, Rocklands Ratepayers Association, Schotse Kloof Civic Association, Steenberg/Retreat Housing Action Committee, Silvertown Residents Association, South African Council of Sports, South African Youth Revolutionary Council, Steenberg Housing Committee, Steenberg Retreat Education Action Movement, Student Community Action Group, Students of Young Azania, Students Action Committee, Students Union for Christian Action, South Peninsula Educational Fellowship, Social Issues Group, Thornhill Residents Association, Thornhill Youth Congress, United Democratic Front, United Ecumenical Action Movement, United Women's Congress, United Women's Organization, Valhalla Park Tenants Association, Voluntary Action Committee, Western Cape Civic Association, Western Cape Students Council, Western Cape Teachers Union, Western Cape Hostels Association, Western Cape Youth League, Western Province Council of Sports, Westridge Action Committee, Westridge Residents Association, Westridge Ratepayers Association, Woodlands Ratepayers Association, Woodlands Residents Association, Womens' Front Organization, Women's Movement for Peace, Young Christian Workers.

These organizations are also prohibited from producing or distributing placards, pamphlets, posters or publications.

/12858
CSO: 3400/048

NAVY HEAD ON NATION'S NEED TO BECOME MARITIME POWER

Johannesburg BUSINESS DAY in English 4 Jun 86 p 7

[Text]

THE head of the Navy, Vice-Admiral Glen Syndercombe, says South Africa should move towards becoming a great maritime power.

In an address yesterday to the national council of the Jewish Maritime League in Cape Town, he said the merchant fleet carried only 16% of SA's trade.

Although SA was *de facto* a maritime country with an island economy in which more than 90% of its trade flowed through its harbours, he said most South Africans were not aware of their maritime heritage.

Syndercombe warned of SA's vulnerability from the sea and said it needed direct access to the world's oceans and dominance on at least one of the main trading routes.

"If we take into account the Republic's mineral wealth and its proven trade acumen, as well as its geographical situation, then in my opinion there can be no doubt that the country can, and should, develop towards becoming a great maritime power."

Syndercombe said there were similarities in the situations of Israel and SA, "both fighting for survival in a largely hostile world".

He said the Soviet forces in the Indian and South Atlantic oceans must be seen as the military component of the total strategic threat against the lifelines of the free world.

'9317
CSO: 3400/005

BRIEFS

AFRIKANER YOUTH TO JOIN NATAL INDABA--Johannesburg--The national council of the Junior Rapportryers Beweging is to take part in the Kwazulu indaba. A Rapportryers statement said it wanted to take part: --To ensure that the role of Afrikaner youth is taken into account in future plans for South Africa. --To ensure that democracy is continued and expanded. --To ensure that there is no discrimination against Afrikaner culture and traditions. --To ensure that reform envisaged by the State is practical and acceptable. The statement added that the national council of the Junior Rapportryers movement has been granted its formal request to have a representative at the indaba. [Text] [Cape Town THE ARGUS in English 31 May 86 p 3] /9274

LAND ACQUIRED--House of Assembly--Altogether R6 525 228 had been paid for 7 594 5626 acquired for the proposed missile-testing range near De Hoop at May 30, the Minister of Public Works, Dr Lapa Munnik, said. Replying to a question from Mr John Malcomess (PFP, Port Elizabeth Central), Dr Munnik supplied details of the previous owners of the land and of the dates on which it was purchased. According to this information, most of the land had previously been part of farms in the area acquired as long ago as 1938 and as recently as 1982 in one case. [Text] [Johannesburg THE CITIZEN in English 4 Jun 86 p 4] /9274

UNDER-20 ARRESTS--House of Assembly--Of the 1 045 people under the age of 20 arrested on charges of public violence in the Western Cape from July 1 to December 31 last year, 167 were found guilty, the Minister of Law and Order, Mr Louis le Grange, said in reply to a question from Mr Ken Andrew (PFP Gardens). Asked by Mr Andrew in a supplementary question whether he was not disturbed that these children were being arrested when they had obviously not committed the crimes for which they were detained, Mr Le Grange said: "No." [Text] [Johannesburg THE CITIZEN in English 4 Jun 86 p 4] /9274

NORTHERN BORDER SECURITY--The government has given the Transvaal Provincial Administration a total of R3.5 million for security measures in the province's vulnerable northern border regions. Among other things, protection will be given to 12 schools in the north-western Transvaal border area. The move follows several landmine attacks on border farms in recent months. MEC for Works, Mr Daan Kirstein, told the provincial council last night that the money would be used to protect property and human life. [Text] [Johannesburg THE STAR in English 30 May 86 p 5] /9274

MINISTER ON JOB CREATION--House of Assembly--The Department of Manpower spent R124.77 million on job creation in the last financial year and R87.6 million was spent on training programmes for the unemployed, Minister of Manpower, Mr Kobie Coetze, said yesterday. [Text] [Johannesburg THE CITIZEN in English 7 Jun 86 p 2] /9274

SCHOOL INTEGRATION OPPOSED--The executive of the Natal Teachers Union has reaffirmed that most white teachers in the province are not in favor of schools being opened to all races. The chairman of the union, Mr Johan Benade, said at the quarterly meeting of the union in Durban that this standpoint is based on findings of a report by Professor Lawrence Schlemmer of the University of Natal. Professor Schlemmer was asked by the Natal Teachers Association to establish how teachers in Natal felt about integrateed schools. [Text] [Johannesburg Domestic Service in Afrikaans 1400 GMT 9 Jun 86 MB] /12913

CSO: 3400/1990

NATIONAL PARTY'S TREATMENT OF EPG SEEN AS 'MONUMENTAL BLUNDER'

Johannesburg BUSINESS DAY in English 10 Jun 86 p 6

[Commentary by Stanley Uys]

[Text]

THE NATIONAL PARTY government has made some monumental foreign policy blunders in its time but few have been on quite such a breathtaking scale as its treatment of the Commonwealth Eminent Persons Group (EPG) mission.

Even Pretoria must have known that the EPG mission was in the nature almost of a last chance for SA — that the international sanctions campaign was closing like a noose around SA's neck and that it would depend on Pretoria's responses to the mission whether the noose was tightened or not.

For Pretoria to have seen the EPG as an adversary rather than as a potential ally was its first mistake. The EPG went to SA not to discover how best to apply sanctions but how best to avoid them. Pretoria never seems to grasp this elementary fact.

For President Botha to wait until the EPG was in the country and then issue a public warning about "meddlers" was his second mistake. He said the political situation was being "exacerbated by continued visits from official and non-official groups who interfere in SA's domestic affairs".

This was not only grossly insulting to the EPG, it was self-destructive.

What is the alternative, after all, to "interference" if it is not sanctions? If President Botha refuses to have "interference" then he is going to have sanctions. Some of the missions which are crowding into SA thick and fast no doubt want to stir things up; but most are trying to avert, not encourage, a revolution.

They offer themselves as mediators, counsellors, fact-finders, interlocutors, hand-holders and brow-soothers, and usually they are ineffectual; but with few exceptions they are well-meaning, and for Pretoria to dismiss their good intentions as mischief-making is asking for trouble.

The EPG was in a special category and Pretoria should have recognised this. The EPG went out of its way to be as low-key, conciliatory and self-effacing as possible. But it had a mandate and a deadline. There was an inexorability about its mission. This should have set the alarm bells ringing in Pretoria.

Pretoria should know by now that the sanctions debate is no longer a rational debate. It is about emotions. It is not about facts and figures and the unemployment and devastation embargoes will cause, but about passions.

It has become the touchstone of whether you are for or against apartheid. It is a huge, irresistible tide sweeping everything before it.

The question is not whether SA's major trading partners want to block sanctions: of course they want to block them. The question is whether they are able to block them, and if so for how much longer?

In this context, the EPG mission was a momentous event. If, as a result of its findings, the Commonwealth decides now to embark on major economic sanctions against SA, does Pretoria understand what will happen? The floodgates will be opened.

For a prestigious body like the Commonwealth, with its historical associations with SA — and the symbiotic relationship between SA and Britain — to pronounce that SA is a lost cause and that all that is left is to turn the screws would be the beginning of the end for SA.

The rest of the world would take its cue from the Commonwealth, which would be accepted as the pace-setter. Commonwealth sanctions inexorably would suck in everyone else: SA's major trading partners, the EEC, the Americans. Nobody would be able to hold out for long. Governments and company boards, resignedly, would begin writing SA out of their books.

The endless pro-sanctions conferences that are held around the world will take on a sharper cutting edge now. A 21-nation conference was held in Oslo last week on an oil embargo; and another, bigger, United Nations conference will be held in Paris later this month to prepare a resolution on oil and weapon exports to SA for submission to the UN later this year.

> Pretoria no doubt is looking to Margaret Thatcher to hold the line against sanctions. This is the way it has always been: sanctions against SA are unthinkable, because Britain has too much invested in the country, and also because SA whites would be driven into their Massada.

This kind of thinking is archaic now. It is of diminishing validity. The British government advances the most cogent and impeccable reasons why sanctions would be counter-productive, but the sanctions tide just rolls on — because it is influenced not by the consequences of tomorrow but by the blood and guts of today.

Thatcher is being pushed further and further out on a limb. President Kaunda said Zambia might have to withdraw from the Commonwealth if Britain continued to block sanctions, but India's Rajiv Gandhi is much more in tune with the current Commonwealth mood when he says the Commonwealth is staying put — it is up to Thatcher to reconsider her position.

Increasingly, Britain is being forced into a position where it will have to choose between its interests in SA and its interests in Africa, the Commonwealth and the rest of the world.

There will be only one choice it can make: to let SA go. Already, the Queen is said to be becoming restive over what Thatcher is doing to "her" Commonwealth.

If Britain were a super-power, possibly it might still have been able to block sanctions indefinitely; but today it needs friends and alliances, and when the chips are down it is SA that will become expendable.

Another mistake Pretoria made was to raise the EPG's expectations and then dash them. There was a moment when the EPG thought the pieces might be falling into place. Then at the most critical juncture, SADF commandos struck into Harare, Lusaka and Gaberone.

One can speculate endlessly on the motive behind the raids; there can be no speculation about the consequences. The raids pulled the rug from under the EPG mission as successfully as if it had been planned that way.

Are the Pretoria politicians and the military chiefs trying to tell us they had not anticipated the consequences? A corporal with a lobotomy could have told them that the raids would wreck the mission.

The EPG mission returned to London angry and frustrated. Some of its members, I suspect, felt they had been taken for a ride by Pretoria. So they have reported the failure of their mission, and in apportioning blame they have pointed the finger at Pretoria, not the ANC.

This is a devastating turn of events for Pretoria. If there is any consolation in the situation for Pretoria it is to be found in the EPG's decision to leave it to Commonwealth heads of government to decide on the new measures to be applied against SA.

Seven heads of government will meet between August 4 and August 6 and they may feel that the final decision should be referred to the Commonwealth as a whole.

It is inevitable that the sanctions approved at the Commonwealth conference in Nassau last October will be supplemented now by further measures against SA — Pretoria can reconcile itself to this.

> Britain will continue to try to steer the Commonwealth as a whole away from trade sanctions, and in this it may well succeed, although unilateral action by individual Commonwealth members probably will continue. There is talk that the minimum Britain will get away with this time is to require all South Africans visiting Britain in future to apply for visas, and it may also have to end the double taxation agreement with SA.

Powerful pressures are building up to sever all air links with SA, but British Airways, seeking to make its accounts look healthy in preparation for privatisation, will lobby energetically against this move.

Really damaging sanctions, therefore, may just be averted again this time, but there is not a shadow of doubt now that the noose is tightening around SA.

All Pretoria's stratagems, like playing for time, are virtually exhausted now, and President Botha is left with only two options: to pull the shutters down and take SA into siege — and degenerative collapse — or enter into dialogue with radical black leaders. There is nothing else left.

/9317
CSO: 3400/003

REPORT LOOKS AT WITS UNIVERSITY'S ROLE IN CHANGING SOCIETY

Johannesburg THE STAR in English 12 Jun 86 p 23

[Article by Susan Pleming]

[Text]

A 100-page report examining the role of the University of the Witwatersrand in a changing South Africa was released this week.

The report, entitled "Perceptions of Wits — The role of the University in a changing South Africa", was initiated in November 1985 by a group of Wits academics.

It examines the views of a number of communities, the university, overseas people — and the African National Congress.

The academics hope the report will stimulate debate and that it will be tabled at a Wits Council and Senate meeting.

They say the need for debate about the role of the university had intensified because of the deepening education crisis.

The presence of police on campus last August had also stimulated the need to re-examine the university's role.

"Towards the end of 1985 it seemed to a group of us that a critical factor missing from this debate was the 'view from below' — the opinion of people at present excluded from decision-making, but who will be influential in shaping the South Africa of the future," said one of the academics.

He added that Wits should address itself more directly to the needs of the black community, not only because they constituted the majority, but because their views had been neglected in the past.

The academics had interviewed three groups — the black community, overseas organisations and individuals and university members.

Interviews were also held with the ANC.

The majority of people interviewed saw Wits as being dominated by big business, Government and the white community. The university was also considered isolated from the experiences of black people.

Black and white students differed on a number of issues.

The most striking was the belief of black students that the university should have a greater political alignment.

Common agreement existed between black and white students for the need of a grievance committee or ombudsman to deal with cases of racial discrimination or racial incitement on the campus.

Also, while white non-academic staff seemed relatively content, the researchers found

deep resentment among black non-academic staff towards university management.

While a minority of university members (25 percent) felt a subtle form of racial discrimination against black Wits staff members existed, 70 percent of the people interviewed from the community thought that black staff were being discriminated against.

Although Wits had a reputation for opposing apartheid, it discriminated against blacks within the university, they said.

Many of the people interviewed believed Wits should be part of the broad movement against apartheid, but that it should not be linked to any organisation or party — this was also the view of the ANC.

Most stressed that parents associations, civic groups, trade unions and labour organisations should be fairly represented in the decision-making structures of the university and should be consulted often.

Respondents also pointed out that structures, such as part-time courses and library and resource centres, should be created to encourage meaningful consultation between the university and the community.

The community, overseas and university surveys were similar in many ways and they all agreed Wits should maintain high academic standards and an atmosphere of open and rational debate should be created on the campus.

The majority of those interviewed in both the community and the university favoured greater resources being made available to improve academic support facilities of Wits.

It was also said that the university's admission policy and bursaries should be more widely publicised in the community.

Most of the respondents agreed that matriculation should not be the sole criterion for admission.

/9317
CSO: 3400/003

SOUTH AFRICA

NEED FOR LOCALLY TRAINED SKILLED MANPOWER NOTED

Johannesburg BUSINESS DAY in English 13 Jun 86 p 10

[Article by Helga St Blaize-Molony]

[Text]

FOR TOO long SA has depended upon emigration waves from Europe to supply it with the skilled manpower it needs, ignoring the creation of a strong, locally-trained workforce. And yet even before the present economic downturn, this country was unable to find enough technically trained people to satisfy its needs.

The situation has worsened. The economic climate and the political situation is not only preventing skilled manpower in Europe from emigrating to SA but also driving those who do live here to seek work in other countries.

In addition, whereas before funds were put aside by industry for the training and further educaton of its employees, now many companies have cut back on educational facilities, concentrating on management training when funds do become available.

As productivity and morale dip to yet lower levels, the need for technically skilled manpower reaches crisis point. Why?

There are courses available. Government does offer incentives. And yet it seems too few school-leavers are interested in technical training, a sector which should guarantee them jobs.

No doubt one reason for their reticence is the poor standing in society which the skilled worker or artisan has traditionally sustained. SA has spoilt its citizens. They expect an education to give them prestige positions and do not equate such positions with technical skills.

This notion seeps into all races. Young blacks seeking higher education are attracted by the professions, but not the trades. Those that would appreciate technical training very often have not been able to acquire even basic academic requirements.

Another reason for the lack of interest is that until recently commerce and industry has not been particularly active in encouraging its workforce to acquire such skills.

But should the level of skilled workers rise in SA due to the efforts of employers, there is no doubt there could be greater contentment on the shop floor and higher productivity levels. Both employee and employer should benefit.

As this idea takes effect, a subtle change is occurring. Not only are more courses becoming available, but these are being specifically designed for SA's needs. Those courses which demand more rigorous academic achievements, such as engineering, are being overhauled to suit industry's needs.

The maintenance of technically skilled people in SA is imperative to the development of industry and the economy, for it is within the technical sector that the future lies.

/9317
CSO: 3400/057

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15 July 1986

SOUTH AFRICA

ARTICLE REVIEWS TRAINING INCENTIVES FOR SEMISKILLED WORKERS

Johannesburg BUSINESS DAY in English 13 Jun 86 p 10

[Article by Melanie Sergeant]

[Text]

ONLY 10 years ago, tax concessions were introduced as an incentive to employ and train SA's large pool of unskilled and semi-skilled labour. Originally only applicable to blacks, in 1979 the concessions were broadened to include all employees. In 1981 they were extended to include training of employees in the designated decentralisation regions.

Above the normal deduction of the cost of training as a running expense, it is possible for companies to deduct a further 50% of the cost which includes wages, course fees, accommodation, travelling expenses and the salaries of course instructors. Calculated at the current 50% company tax rate, employers are able to recoup 75% of training costs. This means employers should invest 25% of the total cost.

In the decentralised areas additional deductions amount to 75%, making a total of 87,5% recoupment. Also, the additional deduction of 75% can be discounted with the Department of Manpower at the ruling company tax rate, so that half of it is payable in cash at regular intervals to alleviate cash flow problems.

Needless to say, these concessions are only available for approved training courses.

In 1984, the Minister of Finance decided to limit tax concessions on training to people earning less than R15 000pa. While he was accused of limiting concessions, the aim was to focus attention at lesser-trained people and for a more concentrated effort to be made at the lower levels.

The number of approved training centres, institutions and schemes has climbed steadily. From 952 in 1981 to 1 529 in 1983 and by 1985 reached 1 841. The number of courses approved grew from 10 892 in 1981 to nearly double that last year.

The R15 000 salary limit saw the amount of people trained through department-approved centres fall considerably. In 1981, nearly 330 000 people were trained, rising to 508 000 in 1984. With the limit imposed after the 1984 Budget, this fell to 364 216 last year. "The fall was also due to the poor economy," says chief director of manpower training at the Department of Manpower, Roelf Dyman.

On the technical training side the department looks at apprentices. The number indentured in 1981 and attending courses approved for tax concessions was not far off the 12 000 mark. This grew to nearly 14 500 in 1982, but fell to 11 573 last year. But Dyman reckons that at least double these numbers are trained annually if account is taken of those trained by non-registered establishments and those earning more than R15 000.

In 1983, the National Training Board and the Human Sciences Research Council launched an investigation on behalf of the Department of Manpower into the training of artisans. "The study recommends the apprenticeship system is restructured and training encouraged on a modular basis," says Dyman.

Private industries were also recommended to play a more prominent role in the training of artisans. "The study finds that the status of artisans should be raised, as they form the backbone of the production processes with their technical skills."

The Department of Manpower is preparing a White Paper on these recommendations. Dyman hopes it will be submitted to Cabinet in the near future."

/9317
CSO: 3400/057

BRIEFS

URBAN WHITE UNEMPLOYED--An estimated 188 000 urban White adults were unemployed and looking for either full or part-time work in March this year, up from 106 000 in March 1985. The number looking for fulltime employment has increased from 48 000 to 86 000 and the number looking for part-time work has gone up from 58 000 to 102 000 during this period. Half of all White adults were in full-time occupations in March 1986, compared to 55 percent a year previously. The number in part-time employment has increased marginally and stands at seven percent. These findings come from Market Research Africa's employment index, and are based on personal interviews with representative samples of 1 000 adults in cities, towns and villages throughout South Africa. The number of people who are unemployed and looking for fulltime work represents six percent of the full-time work force. Commenting on the findings, Mr Clive Corder, chairman and MD of Market Research Africa said: "The number of people unemployed is still manageable and could have a deflationary effect on salary demands. However, the trends are cause for anxiety and underline the difficult times being faced by many businesses. High inflation and high taxation inevitably just result in a decline in the ability of the private sector to maintain staff at existing levels."--Sapa [Text] [Johannesburg THE CITIZEN in English 13 Jun 86 p 12] /9317

EXPENDITURES ON REFUGEES--Cape Town--Expenditure on relief for displaced people during faction fighting in the Crossroads, Nyanga and Guguletu areas by the Red Cross Society had exceeded R200 000 by June 12, the society said in a statement in Cape Town yesterday. The largest expenditure was for the supply of blankets which cost R87 000. Other major costs were: Food R51 000, rental of marquees R30 000, cooking utensils and supplies other than food R23 000. These figures did not include donations in kind of food, blankets and 189 tents donated by the International Committee of the Red Cross. At present 47 centres offering shelter have been established in the Cape Peninsula.--Sapa [Text] [Johannesburg THE CITIZEN in English 17 Jun 86 p 9] /9317

CSO: 3400/057

JPRS-SSA-86-074
15 July 1986

SOUTH AFRICA

IMMEDIATE GOVERNMENT ACTION URGED TO SAVE ECONOMY

Johannesburg BUSINESS DAY in English 6 Jun 86 p 6

[Article by Arnold Van Huyssteen]

[Text]

POWERFUL voices in industry, finance and government have united in calling for a joint long-term strategy for the economy as the only way to recreate the confidence required to set off SA's incipient economic recovery.

"Government and the private sector must put their heads together, take stock of the strong points of the economy — minerals, ferro-alloys, coal-based technology, cheap energy — and jointly devise an export-orientated, industrial development strategy for the country," says AECI group MD Mike Sander.

Lack of confidence in the economic and political future of SA is singled out by Sander as the major cause for the sluggishness in the economy.

"Big business will only start investing their millions once they are reasonably convinced of some return on their investments. The recreation of a climate of confidence has become an essential prerequisite for economic revival," he says.

The volatility of international commodity prices — as evidenced by oil price moves — the rand/dollar exchange rate and on-going political/economic threats against SA have created a negative climate, placing enormous pressures on economic confidence. This must be countered by a long-term growth strategy.

"The joint industrial development strategy must create a secure base for producers to utilise low and marginal cost production capabilities for local and export markets," says Sander.

"Industry also needs some protection against dumping and distressed international prices. We must move away from an *ad hoc* policy approach."

Sander cites Korea, Japan and Taiwan as examples of countries that operate such long-term economic strategies — well-managed industrial partnerships between government and private industry — with enormous success.

But these countries first established a secure base from which industry could expand.

"The private sector has the know-how and talent to assist government in devising such a strategy. We are ready to help," he adds.

In an unrelated keynote address to the recent Afrikaanse Handelsinstituut (AHI) congress in Johannesburg, Reserve Bank deputy governor Jan Lombard gave added perspective to the investment problems mentioned by Sander.

"The most disquieting symptom of the economic stagnation in SA is that gross domestic savings are continuously higher than gross domestic investment. To describe the situation more ironically: SA

has apparently become a capital-exporting country — not to developing Africa but to Europe and North America."

Lombard says critical reference is often made to disinvestment from SA. "But statistics show that SA's own institutions have been playing a big part in disinvesting from SA. The capital outflow from SA is therefore not only the result of foreigners taking their money out of the country. It could also be the result of domestic savings financing foreign assets," he says.

At the same AHI congress, Carl Noffke, director of RAU's Institute of American Studies, quoted a March 17 report in the *US News and World Report* that $4bn flight capital had left SA since 1985.

Insufficient capital creation has therefore become the single most important factor in SA's low economic growth record, says Lombard.

On the supply side, the economy has the potential to grow twice as fast as has happened.

Over the past 10 years of economic stagnation, total income could have been 25% higher than actual realisation, while state spending could have been 20% — instead of 25% — of the income base of the economy, he adds.

"Why does the SA economy not realise its growth potential? What hampers at the demand side of the growth formula?" asks Lombard.

Reduced government spending, exports or even consumer spending are not at fault. The problem lies elsewhere.

"It does not require enormous insight to recognise the component of demand which must be singled out. This is private spending on capital formation, or — in economic terms — private domestic investment," he says.

Bearing this in mind, a strategy for economic revival should *not* be based on direct stimulation of private or state spending — and with interest rates measurably lower, the link between income and consumer spending is in any case again becoming "normal".

"The key to the problem lies with the investment function — the process of capital creation. In the economic growth process, investment is the link between consumption and production.

"And by spending that enhances capital creation, income and consumption are indirectly created throughout the system. This is the so-called multiplier effect," says Lombard.

But, he adds, the *scope* of capital creation in the fast-growing system is on its part again influenced by expected future consumption out of income. This is the so-called accelerator factor.

"The keys to the economic growth rate are the respective sizes of the multiplier and the accelerator. Together, these two elements determine the self-stimulating growth tempo of the economy.

"And the problem with SA's growth dynamics lies in the collapse of the accelerator element in capital creation."

Lombard says interest in new capital creation, especially in industry, is "pathetically weak".

Projected future consumption spending — over the next five to 10 years — no longer plays its normal and essential role in investment decision-making. Investment is only taking place in mining, where exports into world markets, as well as tax benefits, remain the major stimulants. "As far as the domestic market is concerned, the horizon of expectations is alarmingly low.

"Apparently, few entrepreneurs or big financial institutions are prepared to look further ahead than six months. In other words, the value of opportunities that might lie further ahead are totally ignored."

To recreate long-term economic growth, financial institutions must invest in the "future needs" of the economy, says Lombard. But, he asks, can this strategy be left to private enterprise when their opportunity horizons have become so intensely short-term?

"Could the private sector again be convinced to make healthy long-term identification of expansion opportunities? Or have we possibly seen the end of the era of Western private enterprise in SA?" asks Lombard.

The reason for posing the last — rhetorical — question is because the entrepreneurial function, as well as private investment, were exercised till the present era in a First World orientated SA.

"The surrounding Third World periphery was largely avoided where possible and opportunity expectations were not focused on the potential and needs of the masses of the local Third World sector of the economy.

"Under the circumstances of SA today, the horizon of this kind of perception will indeed become short. This is understandable. But the economic future of SA does not lie in this type of outlook," says Lombard.

What is therefore needed is a fundamental change in outlook and philosophy. "The simple truth about the SA economy is that its growth potential is increasingly linked to the potential and needs provided by the indigenous masses.

"The identification of this mass (black) demand and mass supply, aiming at its early fulfilment, is an essential element of the economic growth strategy for SA," he says.

As important is determining what role the free market mechanism must play in converting the opportunities of the Third World segment of the economy into real growth in income, employment, consumption and capital creation.

"And in the final instance it is obvious that this type of economic growth strategy must be closely linked to, and also support, the socio-political reforms taking place in SA," adds Lombard.

Other benefits inherent to this strategy outlook would be less — if any — balance of payments problems and greater employment per

unit of capital invested, while there would be few problems in attracting foreign capital.

"What we urgently need is not an anti-cyclical policy nor a narrow growth strategy for the economy's First World segment alone, but a socio-economic development strategy which would include the advancing Third World of SA," says Lombard.

And in this scenario it would be easier for the Central Bank to exercise financial stability — on both the money market and the, foreign exchange market.

"In a fast-growing economy taxes would also be reduced by the same rate as state expenditure. Fast real growth correlates with low taxes, stable financial rates and low price inflation. This scenario is definitely not beyond our reach."

In his keynote address to the AHI congress, out-going president Donald Masson also referred to the need for businessmen to adapt to the changing requirements of SA's Third World economy.

"The business sector regularly postulates that the survival of Western civilisation in SA is dependent on the application of the free market system. The question is whether we as businessmen do enough to promote this system amongst the less privileged communities," says Masson.

"I therefore call on all SA businessmen to realise their responsibility and to actively promote the free market system in this way.

"I put the question: have we done enough not only to promote people of colour into managerial positions, but also to train them?"

Also calling for a joint long-term economic strategy between business and government at the AHI congress was Trust Bank MD Chris van Wyk.

"In Japan, South Korea and Taiwan, long-term industrial development partnerships between the private and public sectors created the greatest post-war economic success stories," says Van Wyk.

"The Japanese Ministry of International Trade and Industry (MITI) is the engine for the Japanese export miracle — and we should now think on these lines if we want an economic upturn."

The proposed joint strategy should include both the big and small business sectors and government. But the suspicion against "big business" must first be removed, as its capital resources, know-how and risk investments were needed to stimulate the growth that would also benefit the Third World sector of the economy, he says.

"So much of our corporate wealth and fibre have already been destroyed that a measure of trust must first be created in the growth potential of the economy before big business will again take the chance of investing long-term. A partnership between business and government would go a long way towards restoring confidence," says Van Wyk.

/9317
CSO: 3400/1996

URGENT CALL FOR STRATEGY TO REGAIN ECONOMIC CONFIDENCE

Johannesburg BUSINESS DAY in English 6 Jun 86 p 6

[Article by Gerald Prosalendis]

[Text]

HAS GOVERNMENT'S economic package run on to the rocks? The further delay in announcing concrete proposals demonstrates its lack of urgency in giving an ailing economy a hand at a time when confidence is dwindling rapidly and action is called for to stop the slide.

It now appears senior officials are having second thoughts about the long-term effects of a fiscal stimulation package, and particularly the pressure it might put on the balance of payments and inflation.

Opinions are divided on what measures could and should be taken.

While supply-side measures — such as across the board tax cuts — are seen to be desirable, the loss of revenue to the state has put paid to any genuine relief from this quarter. Rather the authorities are toying with increased government spending, which they see as inevitable anyway, to boost the economy.

The constraints facing the authorities are understandable, but their delay is not — especially with the SA economy winding down.

Undoubtedly, the longer government delays assistance the worse the situation will get. There is also the risk that if and when the package is announced it will be greeted with disappointment by a market which once had rising expectations but now is in the grips of despair.

This applies not only to the Budget package but reform in general.

The situation is serious. Not only is the country using its savings to repay foreign creditors, but local businessmen are also disinvesting.

The statistics paint a grim picture:

- Fixed investment has now declined for five years in a row. Last year it declined by 2,1% and in 1984 by 2%. This year it is expected to decline by double last year's rate;
- Unemployment has been rising steeply since the third quarter of 1984, continuing an uptrend since 1981;
- Gross domestic expenditure declined last year by 7,8%. And despite a declining rand, little appears to have been done to diversify an export base dependent on commodities;
- GDP growth has averaged 1,1% in the Eighites, after averaging 3,4% in the Seventies and 5,7% in the Sixties. This is way below a potential GDP growth of 5% a year, which itself would not guarantee full employment to a rapidly growing population;
- What was believed to be the trough in the business cycle in late 1985 has turned out to be merely a pause in the downturn;

☐ Demand for both short and long-term credit is stagnant, indicating that there is little confidence in the future; and

☐ The JSE boom is not a sign of prosperity. Rather it is a result of negative real rates of interest and strict foreign exchange control on residents who are desperate not to see their money whittled away every year by high inflation.

JCI economist Ronnie Bethlehem spells out the many-faceted problems facing the authorities:

"It is accepted that unemployment has reached a danger level in SA and that something needs to be done about it.

"The critical question is what should be done, and in this regard great care needs to be taken by the authorities to avoid the kind of measures that will provide some short-term benefit but will at the same time aggravate the underlying problems of the economy.

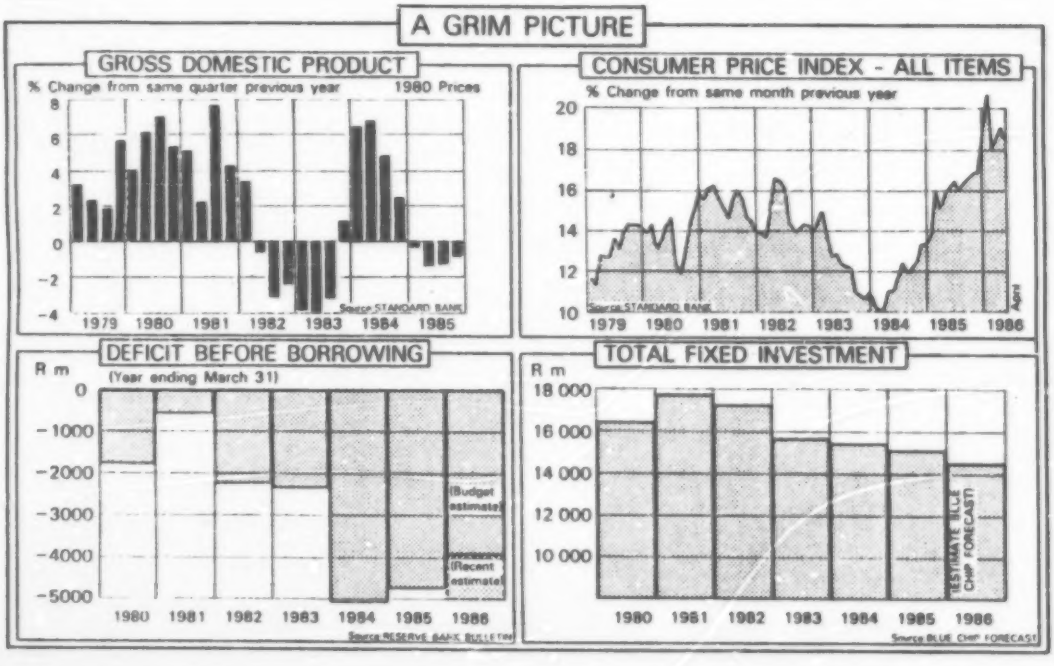
"The high level of inflation and the surplus on the current account of the balance of payments are absolutely critical. The one thing that the authorities cannot afford is to jeopardise the current account surplus, achieve no sustained improvement in real GDP growth and aggravate inflation by measures which concede too much to immediate political pressures."

In a nutshell, there is genuine fear that with fiscal stimulation SA could find itself in 18 months with no significant surplus on current account, no real recovery in the economy or real GDP growth and an inflation rate of 25%.

If this were to occur, the consequences for the rand exchange rate would be calamitous.

Says Bethlehem: "It is essential, therefore, that any measures taken must pay proper regard to the problems of inflation and balance of payments as well as the immediate urgency of unemployment itself.

"It is wrong to believe that problems of unemployment or the balance of payments disequilibrium



can be addressed separately from the problem of inflation. The three have to be seen together for policy to be effective and enduring."

Says a senior economist: "Yes, there are dangers inherent in a fiscal boost to the economy given the stringencies of the balance of payments, inflation and Budget deficit, but there are ways and means of reducing those dangers and one wonders if they have been fully considered."

If government is going to spend money it must be done in a way that will not force more stop-gap measures to be introduced later down the line. This means government spending needs to be channelled into areas that will not put immediate pressure on the balance of payments.

Says Reserve Bank Governor Gerhard de Kock: "In certain circumstances a package of fiscal stimulation would be disastrous. But at present it is not only possible, but is desirable.

"We can increase the deficit before borrowing without putting further pressure on capital market rates. This is possible because money supply is under control and means a higher deficit will not be too difficult to finance without excessive money creation.

"In principle it would be better to avoid an increase in government spending and to cut taxes, which would be a more genuine supply-side measure. Our options are limited, however, and government spending is rising anyway."

But the real problem seems to be that the authorities, particularly the politicians, do not fully appreciate how serious the situation really is. *And* there is a tendency for them to blame the private sector for not doing the "patriotic thing" by investing.

'This attitude arises from a failure by the authorities to understand what motivates businessmen," says one source.

If businessmen see a chance for profit, they will invest. But they will not invest without confidence. And government's stop-start management of the economy and reform process is not helping matters.

"When the SADF has security operations in neighbouring countries and when the AWB breaks up political meetings, businessmen worry," the source added.

Rumours about plans to get business to invest in high risk and low yield investments to create employment do not help.

"There is, in certain circles, a lack of appreciation of how the economy ticks. The authorities have almost got it right — they understand the private sector is not investing — but do not put the solution together properly," says one economist.

Certainly blacks must get a greater share of national wealth. But how this is brought about is critical.

"If this is done by government decree it would be a big mistake. We have to get GDP up and then there will be more to redistribute," says a source.

Unless the powers that be get to grips with the economic realities facing SA and realise that the economic wellbeing of the country is more important than dithering while they score political points, SA will enter a period of slow decay.

/9317
CSO: 3400/1997

EXPERTS PAINT PICTURE OF GLOOMY FUTURE UNDER SANCTIONS

Johannesburg THE SUNDAY STAR in English 8 Jun 86 p 16

[Article by John Maclennan]

[Text]

CAPE TOWN — A nation which survives by smuggling; airmailed letters which have to be routed through neutral addresses; a grey, poor society where unemployment is rife and there is little choice for the consumer . . .

This is the bleak picture of life under an economy of siege which was drawn this week by experts as the international sanctions campaign gained unprecedented momentum.

Their verdict: "You've never had it so bad."

The US Government is now processing sanctions legislation which will forbid new investment or loans, bar SAA from landing at American airports, and stop the import of SA coal, uranium and steel.

At the same time, informed reports claim, it is highly likely that the Commonwealth — including major trading partner Britain — will agree to sanctions in the light of the inability of the Eminent Persons Group to engineer a solution to the conflict.

Mr Harry Schwarz, the PFP's finance spokesman, likened a siege economy to the Rhodesia experience, but noted: "They had South Africa in their backyard. We've got the sea behind us."

And Dr David Rees, Professor of Economics at UCT's Business School, raised the spectre: "We might become a nation of smugglers sending and receiving consignments with false bills of lading, flags of convenience."

Both were in agreement that the country would face serious problems, the quality of life would suffer, and they maintained no country could sustain a flourishing economy without international trade.

The lack of landing rights for SAA in the United States, said Mr Schwarz, could well be extended to other countries and would create a feeling of isolation. It would affect the mobility of both the businessman and the private individual.

Mail would also be delayed: "You will have to write to friends in other countries and ask them to re-address and repost your letters."

Sanctions would also affect SA's ability to repay debts and stimulate the economy. "We are going to be in one hell of a mess."

Mr Schwarz noted that sanctions would also cut SA off from developments in the world's technology. "No country can do all its own research and development. If we can't

get new ideas and new products, we will in the long run just stagnate."

In the short term there were some benefits, as illustrated by Rhodesia, because sanctions would actually encourage growth. Local manufacturers would have to provide goods which could no longer be imported.

But the long-term effect of stagnation brought with it problems such as unemployment and unrest because the workforce would not cease growing.

Mr Schwarz said: "One of the major causes of instability is unemployment. Unemployed people are far more prone to be influenced by political promises than when they have work and they are satisfied economically. In the end you will have far more instability. The revolutionary forces are encouraged by this kind of economic climate."

The only way South Africa could meet these dangers was to "persuade people that apartheid is gone and that you are genuine in your endeavour to negotiate a settlement".

The real issue, in his view, is what follows apartheid: "Will we be part of the free world and what economic system will we have?"

And the real danger is that we are witnessing the establishment of a principle. "Once you have sanctions they just keep escalating. It is very difficult to get them removed."

His scenario for the man in the street: "In the long term sanctions will affect his standard of living, he will have less of a choice in terms of what he buys and he will pay more for it."

Dr Rees predicted sanctions would make for low standards of living and "the country will be a most discouraging place in which to be".

He warned that sanctions would have punitive effects on all involved and especially the people they were supposed to help: "It is wrong to assume this is a one-way trip. The harm done to South Africa will be spread around, but there's a lot more of them, trading partners, than there are of us.

"So the pain will be less concentrated for them. At worst they will suffer some inconvenience. We are a small trading nation. Our trade is very important to us and not very important to the rest of the world.

"The UK will face the prospect of rising unemployment, but we will be unable to gain earnings from our two major export items — minerals and agriculture."

Some whites will lose jobs, but he forecast that unskilled blacks, especially in the mining and agriculture sectors, would be most viciously affected.

A closed economy only had parallels, he said, in countries such as Borneo and Burma. "There is no virtue in it. They are backward."

He noted the Government had made great efforts over the past 20 years to gain self-sufficiency. This included establishing the various Sasols, the armaments industry, the Atlantis diesel engine factory and laying down stocks of oil.

"It all amounts to an enormously expensive way of buying an insurance policy."

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CSO: 3400/1992

SOUTH AFRICA

LOCAL PESSIMISM SEEN AS CAUSING RAND'S DECLINE

Johannesburg BUSINESS DAY in English 10 Jun 86 p 2

[Article by Harold Fridjhon]

[Text]

THE rand's steady decline last week in the face of renewed dollar weakness emphasises that the forces operating against it are generated locally.

The rand is reflecting the pessimism in business and banking circles caused by the now very real fear of sanctions, a fear exacerbated by unrest and by what next Monday will bring in the shape of militant disorder and government's reaction to it.

In spite of limited room for pure speculation against the rand, there is still scope for importers and bankers to take positions against the currency.

As long as importers have firm commitments to meet abroad, they are able to move in and out of the foreign exchange market by altering their forward currency contracts to accord with the movements of the rand. Banks trading with each other also reflect the prevailing bearish sentiments.

But the belief that there is nothing to stop the rand plummeting to unheard-of depths is erroneous. It could go a little lower — some bankers see $0,35 to $0,37 as the lowest band it could reach — but many hold the view that the currency is basically undervalued, although no-one at present will essay a guess where it should be.

The last available balance of payments figures suggested the current account had an annualised surplus of R5bn. What it is now with large grain importations and possible offshore buying of strategic needs, no one knows. Nor has the public any indication of capital outflows, legitimate or illicit.

The silence from Pretoria only helps to compound the uncertainty by giving rise to rumours which, in the prevailing grey mood, add weight to the pessimism.

If the foreign debt agreement were not shrouded in secrecy, a little confidence might be restored, provided the truth is not more damaging than the rumours.

At present there is no doubt about the action that must be taken by importers and exporters.

Importers must take cover, not only against dollar commitments but also against cross-currency trading. They might adjust this cover but prudence dictates against the folly of remaining uncovered.

Exporters with dollar receivables should hold back as long as they can. Technically this creates an adverse leads and lags situation, but people in business must protect themselves.

/9318
CSO: 3400/1997

WEAK RAND LEADS TO DECREASE OF MANUFACTURED GOODS EXPORTED

Johannesburg THE SUNDAY STAR (Finance) in English 8 Jun 86 p 3

[Article by Malcolm Fothergill]

[Text]

FIGURES that suggest South African exports are booming because of the parlous state of the rand are misleading, says Mr Lance Scovell, manager of the National Productivity Institute's financial advisory services.

In fact, as the rand has weakened so the volume of manufactured goods exported has taken a significant dip.

Exports of base metals, for instance, dropped in volume from 1980 to 1984 by an estimated 2,9 percent. Exports of machinery dropped by 19,8 percent and of vehicles by 24 percent.

These figures cast a wan light on the picture painted by the country's export performance measured in rands.

According to that picture, the rand value of base-metals exports rose from R2 415,9 million in 1984 to R3 357,8 million in 1985 up to October; machinery exports rose from R309,2 million to R421 million and vehicle exports from R169,4 million to R283,2 million.

Conventional wisdom has it that a big devaluation such as that of the rand must increase exports because it makes goods cheaper in terms of other currencies.

But, says Mr Scovell, recent experience suggests devaluation is no guarantee that exports will follow. In fact, South Africa's exports were healthier in volume terms in 1980, when the rand bought $1,28, than they were in 1984, when the rand bought 47c.

South Africa's experience is not unique. The 10 countries that increased exports most between 1980 and 1984 include some with strong currencies and some with weak.

Turkey, which heads the list, has a weak currency. Korea, which slots in at No 2, has a strong currency. Brazil, at No 3, has a weak currency.

Others in the list — Ireland, Japan, Hong Kong, Sweden, Austria, West Germany and Canada — similarly run the gamut of currency strengths.

The lesson, says Mr Scovell, is that there's more to being competitive than being able to offer the lowest price.

World trade figures from 1980 to 1984 hold cold comfort for South Africa in another respect, too: while the South African economy has been shrinking the volume of both exports and imports in most European countries has been growing.

Taking 1980 as base year at 100, industrial production grew in West Germany to 108 by 1984, in Denmark to 117 and in the Netherlands to 105. Britain's production did not change significantly.

In South Africa, on the other hand, the volume of export sales measured from 1972 as base year at 100 peaked at 188 in 1979, sank to a low of 147 in 1983 and stood at 170 in 1984.

South Africa thus lost market share, in spite of the rand suffering a large depreciation. And that market share will not be easy to regain.

Mr Scovell sees the main problems facing South African exporters as being the country's comparatively high rate of inflation, which makes it extremely difficult for manufacturers to quote realistically; the volatility of the exchange rate of the rand; tariff and other protection barriers, which show no sign of tumbling and in fact can be expected to grow; and political hostility.

Advantages South Africa might be able to exploit, at least in the engineering sector, include short runs, flexible production systems and — in some cases — unrivalled quality.

/9317
CSO: 3400/006

FRG INCREASES INVESTMENTS DESPITE 'PRESSURE'

Johannesburg BUSINESS DAY in English 12 Jun 86 p 2

[Article by Peter Wallington]

[Text]

WEST GERMANY'S net investment in South Africa increased by DM137,9m last year despite the economic recession in SA and disinvestment pressure from abroad.

However, German exports to SA fell by 29,2% during the first quarter of 1986 compared with the same period last year, while imports from SA declined by 1,6% in DM terms.

According to figures released by the SA-German Chamber of Commerce and Industry, SA's net investment in Germany increased by DM2,6m.

However, executive manager of the chamber, Herbert Weicke, says that while German investments in SA increased last year, the figures were down on the previous two years.

Net investments increased by DM171,2m in 1984 and by DM259,6m in 1983.

It is not possible to pinpoint in what areas the increased investments were made, as these figures are regarded as confidential.

The tapering-off of investments reflect the state of the SA economy and the declining value of the rand. In certain industries it is still necessary to import raw materials from abroad, and the declining value of the rand has made certain products increasingly expensive, Weicke adds.

Nevertheless, continued German investment could reflect a belief that long-term prospects in SA are good. In addition, the German government has opposed disinvestment and boycott campaigns because they are viewed as counter-productive.

Turning to the latest trade figures between SA and Germany, Weicke believes SA exporters are not taking sufficient advantage of the low rand to increase exports, particularly of manufactured goods.

Conversely, the low rand is a contributing factor towards falling exports from Germany to SA, as inported products have become increasingly costly.

/9317
CSO: 3400/059

TRADE WAR WITH SWEDEN EXPECTED TO GROW

Johannesburg BUSINESS DAY in English 6 Jun 86 p 3

[Article by Hamish McIndoe]

[Text]

SWEDEN'S cold trade-war with SA is set to intensify with a government edict requiring all goods used in bilateral trade to have licence permits from July.

Social Democrat Prime Mimister Ingvar Carlsson yesterday in parliament proposed further trade moves against SA, which have the full support of opposition parties, a government spokesman in Stockholm told *Business Day*.

But Sweden has not severed trade ties with SA, despite contrary reports.

Economists pointed out yesterday the threatened Scandinavian trade boycott would hurt Norway, Sweden and Denmark more than SA, reports GERALD REILLY.

SA imports from Scandinavia totalled R593 966 356 for the whole of 1985, compared with exports to the three countries totalling R289 681 135.

Sweden was the biggest exporter to SA — R287 945 761 — followed by Norway with R190 327 044, and Denmark R115 693 551.

Denmark was the only one of the three countries which imported more from SA — R175 009 329 mostly in minerals and coal — than it exported, R115 693 551.

SA Agricultural Union economist Koos du Toit said total agricultural exports to Scandinavian countries were insignificant in terms of rands and cents.

Swedish firms exporting to SA will have to apply for a government licence before landing their goods in SA. The same applies to SA exporters. The move follows the gazetting last Friday of the licensing of all Swedish imports to SA by Trade and Industry (DTI) Minister Dawie de Villiers.

But a DTI spokesman said the permits were an administrative measure to monitor the type of Swedish goods being imported to SA. He said the permits were in line with measures allowed by the General Agreement on Tariffs and Trade, of which SA is a signatory.

On Tuesday, the Swedish government announced it would establish a public register of local firms trading with SA in a crackdown on bilateral trade.

/9317
CSO: 3400/1992

MANAGEMENT BUY-OUTS SEEN GAINING IMPETUS

Johannesburg THE SUNDAY STAR (Finance) in English 8 Jun 86 pp 1, 2

[Article by Malcolm Fothergill]

[Text]

A SPATE of management buyouts involving hundreds of millions of rands is rapidly changing the face of South African business.

Recently dozens of managements have approached merchant banks seeking help to buy the companies for which they work.

Many of them are subsidiaries of American and British multinationals threatened by sanctions and disinvestment.

However, only a small proportion of the managements interested in buying the businesses they work for succeed in getting deals together.

In general, merchant banks are prepared to consider only mature companies in mature industries and with good track records.

In part, the spate of attempted buyouts is a result of the greater competition in world trade, which by forcing conglomerates to concentrate on their core businesses, results in peripherals being put up for sale.

Another reason adding impetus to the management-buyout swing in South Africa is the threat of disinvestment and sanctions.

One typical recent management buyout, that involving Gardner-Denver, which makes equipment for the mining, construction and industrial sectors, shows the advantages to both South African buyers and overseas sellers in allowing local management to take control.

The new company, Southern-Denver, will have all the advantages it enjoyed as a subsidiary of an American parent, including long-term agreements by which it will have access to its former parent's new technology and will have its products marketed worldwide by Gardner-Denver in the United States, at no trouble or expense to itself.

Gardner-Denver scores by getting its products made in South Africa but without the political risks attached to owning the producer.

Another recent buyout involves flooring supplies company Gripperrods South Africa, where management has bought the shares previously held by the British parent company. The local firm retains the right to continue using the brandname, trademark and patents.

It also retains the rights to serve substantial export markets in Africa and the Far East and intends to attack other markets that could include Australia, Canada and the United States.

The way management buyouts are structured varies from company to company.

In Southern-Denver's case four top managers — managing director Mr Terry Spratt, financial director Mr Jacobus Hauptfleisch, manufacturing manager Mr Bobby May and materials control manager Mr Willie du Plessis — arranged backing from Barclays National Merchant Bank before approaching the parent company with their offer.

They plan now to offer a stock option to key employees.

The Southern-Denver deal took about three months from start to finish, but other deals are completed considerably quicker than that.

Barname, says general manager Mr Andre Roux, has done deals in four days, but four weeks would be more common.

The reject rate is high, he says, because a management buyout is a unique financing structure.

"There's a lot of debt and very little equity, so the financial risk is high.

"The type of company one would be looking at would be a mature company in a mature industry with a record of earnings and sales in a well established market.

"One can't do it in a heavily geared company or in a cyclical industry.

"Cash flows have got to be predictable and dedicated in the first couple of years to paying the management's new obligations."

While Barname rejects nine out of 10 applicants, Mr Laurie Korsten, chief executive of Volkskas Merchant Bank, says the Volkskas acceptance ratio is more like 1,5 out of 30.

"In most cases the people don't have the cash to put on the table so the idea is to leverage the assets up to the hilt. This means we have to assess the quality of the assets and decide if the assets can service the debt."

Because merchant banks are not keen on holding stakes in companies indefinitely, one likely side-effect of the present spate of management buyouts is a number of firms applying for listings on the Johannesburg Stock Exchange in three or four years' time.

"A listing would be a logical route for management to follow," says Mr Roux. "It would give them liquidity for their investment and would suit the financiers, too."

Mr John Snider, assistant manager in the corporate finance division of Hill Samuel, says one route sometimes pursued by companies keen to allow management to take control is the leveraged buyout.

"If the company doesn't have significant borrowings it can borrow, which may enable funds to be released to the existing shareholders, thereby assisting management.

"In some cases management is interested in buying out the biggest shareholders but alternative buyers outmatch them because they are able to put cash on the table."

Figures from Britain show that management does not necessarily end up with the biggest stake in the company after a buyout, says Mr Snider.

"In the UK, management could end up with between 10 and 20 percent of the shares. In South Africa the amounts involved are often smaller, which means South African managements may end up with a larger stake."

/9317
CSO: 3400/006

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SOUTH AFRICA

PROMISE OF INCREASED CONSUMER SPENDING SEEN AS MYTH

Johannesburg THE STAR in English 11 Jun 86 p 12

[Article by Michael Chester]

[Text]

Visions of more consumer spending power that were created by announcements of tax cuts in the 1986 Budget have turned out to be myths.

Most breadwinners have found that in fact their income tax bills are still heavier — and nearly all of them find they are worse off than ever.

The cash harvest reaped by the Department of Inland Revenue from personal income tax in the current 1986/87 year will be the biggest crop on record.

"The apparent tax cuts announced by Finance Minister Barend du Plessis on March 17 were illusory," says Dr Azar Jammine, director of the Econometrix research unit.

"While it was intended to sound like a R1 billion giveaway — with the abolition of the 7 percent tax surcharge and the introduction of a 5 percent rebate — in fact tax collections will be the heaviest yet".

Econometrix estimates that overall personal income tax will still soar by as much as 22,5 percent, hoisting the total from R8 820 million in 1985/86 to R10 806 million.

The sorcerer at work is inflation and the way it causes what economic boffins call "fiscal drag" or "bracket creep" — the mechanism that pushes more and more breadwinners higher and higher up the tax ladder every time they win increases in salaries and wages in their vain efforts to try to keep pace with the cost of living spiral.

Econometrix takes as an example a taxpayer who last year earned R10 000 — about R833 a month. If he started 1986 with a 10 percent pay increase (little better than half the rate of inflation but the sort of increase that was better than average), even with the tax cuts his actual tax bill is up from R935 to R1 024.

Unaltered

The only scrap of consolation is that had the old tax rates stayed unaltered the taxman would be grabbing R100 more.

If the identical taxpayer was lucky enough to be given a 20 percent pay increase, the tax sting would be worse — up from R935 to R1 230.

True, if he received no pay increase at all his tax bill under the new rates would be lower, down from R935 to R877. But his spending power in real terms would be slashed by 18 percent or more by the vicious cut of inflation.

So there was no escape from a shrinkage in living standards.

Higher up the income brackets, a taxpayer who picked up a 20 percent pay increase to add to the R50 000 he earned last year is seeing his tax bill shooting up from R17 982 to R20 762.

And even if the basic income tax rate is not quite as bad as it was, the odds are that a taxpayer on this sort of salary now also has to confront more cuts from the perks tax on such items as

running a company car or using company housing loans.

"The injustice of the tax system is magnified by trends that prove how fiscal drag is forcing private individuals to carry a more and more disproportionate share of the overall tax burden," says Dr Jammine.

Load

The proof is set out in a set of Econometrix pie-charts.

Five years ago, the share of total tax revenue shouldered by personal income tax payments was only 15,6 percent.

By last year, private individuals were carrying 29,7 percent of the load.

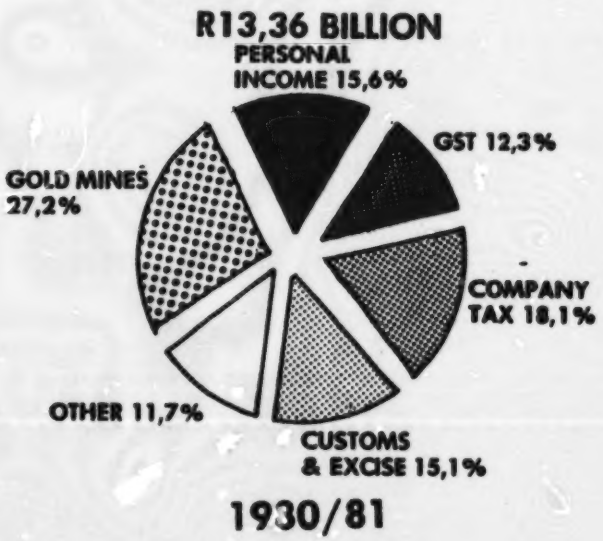
And this year — despite the tax-cut fanfare — they will be lumbered with as much as 32 percent of the burden.

"The time has arrived for a really dramatic round of tax reductions," argues Dr Jammine.

"No doubt the Government would argue the national economy cannot afford drastic tax cuts.

"The governments of nearly all the Western nations are in the process of selling more and more state enterprises to the private sector, which almost invariably do a better job with them.

"Their successes are enormous. South Africa must follow suit — or face calamity".



PAY INCREASE — 12 PERCENT INFLATION — 18 PERCENT	1985/86	1986/87
Basic salary	20 000	22 400
How spent:		
Pension fund contributions	1 500	1 680
Medical expenses	1 200	1 416
Taxation	2 027	2 366
Living expenses (the balance)	15 273	18 022
Total	**20 000**	23 484
Shortfall		−1 084
★ ★ ★		
Basic salary	40 000	44 800
How spent:		
Pension fund contributions	3 000	3 360
Medical expenses	1 200	1 416
Taxation	9 041	9 858
Living expenses	26 759	31 576
Total	**40 000**	46 210
Shortfall		−1 410
★ ★ ★		
Basic salary	60 000	67 200
How spent:		
Pension fund contributions	4 500	5 040
Medical expenses	1 200	1 416
Taxation	18 169	19 130
Living expenses	36 131	42 635
Total	**60 000**	68 221
Shortfall		−1 021

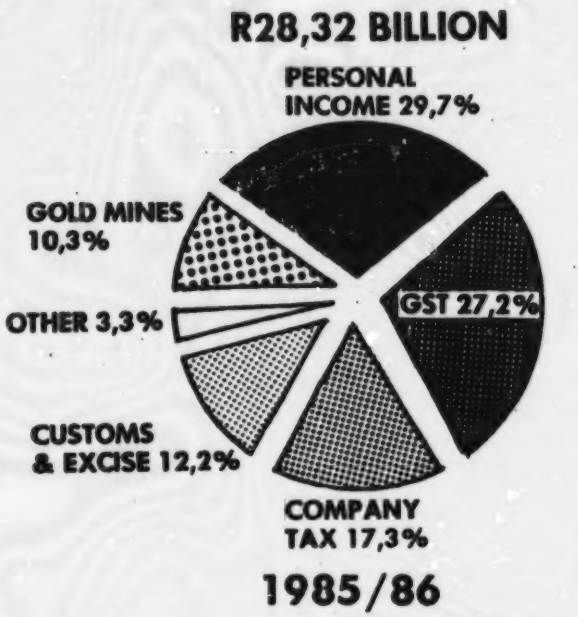
The slide in living standards has been illustrated by tables prepared by P-E Consulting Services showing how a family is still worse off than a year ago.

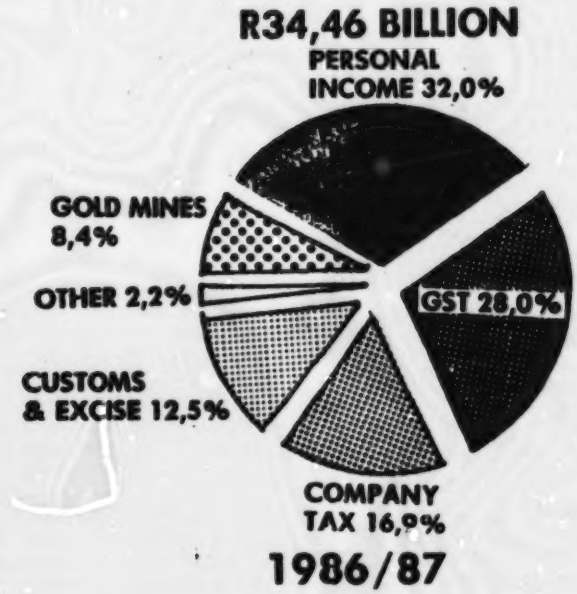
To ensure the validity of the comparisons, the experts have drawn a profile of a married man with a non-working wife and two minor children — battling the currents of the present 18 percent inflation rate.

Pension fund contributions equal 7,5 percent of basic salary and medical contributions and excess expenses were running at R1 200 last year. Tax rebates come to R1 155.

It is assumed the family budget last year managed to scrape home in balance. Even if the breadwinner won a 12 percent pay increase for 1986 — better than average — the family budget will run into the red.

The Catch-22 problem waits in hiding whatever the pay level — R20 000, R40 000 or even R60 000 a year.





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CSO: 3400/1992

BUSINESS URGED TO HELP REFORM DRIVE

Johannesburg BUSINESS DAY in English 12 Jun 86 p 2

[Article by Chris Cairncross]

[Text]

DEPUTY Minister of Finance and of Trade and Industry Kent Durr has called on business to assist the process of reform government has embarked on.

Speaking at the official opening of the Association of Chambers of Commerce (Assocom) regional congress in Cape Town last night, Durr asked whether statesmanship should not be expected of business if it was expected of the politician.

"Certainly, as far as our small business and informal sectors are concerned, there is something at issue here greater than the usual bottom line: nothing less, in the long term, than the survival of our economic system as we know it," Durr added.

Claiming government's whole-hearted commitment to deregulation, Durr said the legislation now before Parliament opened up tremendous possibilities for business advancement.

He invited businessmen to assist government, via their representative bodies, in identifying those regulations that might serve to dampen initiative or in any other ways hinder the growth process in the small business and in formal sectors.

"I once again appeal for a display of business statesmanship, to the extent that the whole subject be viewed not myopically but rather from the high vantage point of what will most rebound to the benefit of the economy as a whole."

Durr suggested the private sector could do far more in pursuing the goal of exporting manufactured goods and processed or semi-processed materials.

He said more emphasis should also be given to the "great potential" offered by "inward industrialisation" — namely the absorption of the growing volume of urbanising blacks in the market economy.

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CSO: 3400/059

RECESSION HITS CIVIL ENGINEERING FIRMS

Johannesburg THE STAR in English 10 Jun 86 p 16

[Article by Frank Jeans]

[Text] The man who tells the story like it is and doesn't brush the facts under the carpet — particularly when it comes to the disastrous effects of recession — might well be criticised for "painting gloomy pictures" which do little to help the state of business and industry.

For about two years, Mr Kees Lagaay, executive director of the South African Federation of Civil Engineering Contractors (Safcec) has had the unenviable job of reporting regularly on this sector of construction — reports which have made dismal reading of plunging workloads and values.

Now Safcec has brought in the views of members themselves which endorse the persistently chronic situation in the industry.

A recent survey resulted in a good response from 125 "civils" companies which represent about 55 percent of the total number in the industry.

Forty percent of the respondents said work volumes were the same, while a meagre seven percent reported higher workloads.

"There was a very satisfactory response from members," says Mr Lagaay, "and the results which have been weighted according to the size of the respondents and show the percentages of the total industry reporting different conditions, are, therefore, considered to be representative of the industry."

Civil engineering's turnover last year totalled R2,6 billion, about R250 million up on the 1983 figure but when an inflation rate of at least 15 percent is taken into account, there has been virtually no rise at all.

The slump, too, has taken its toll in the industry's workforce.

In February, 1985 there were 100 000 workers in civil engineering. Since then there has been a steady decline (May 1985: 98 000 August 1985: 93 000) to a low of 88 000 in February this year.

CMGM HOSTELS

Group Five company, CMGM is among the Anglo American contracts these days.

Its Transvaal division recently completed a R4,2 million rail line project at Saaiplaas Mine and now has secured a R3,7 million order by Anglo American Property Services for the civils work on 28 hostels at the HJ Joel Mine, south of Welkom in the Free State.

OVCON DOES WELL

In the past two months, the Cape-based Ovcon group has won new work with a total value of R41 million.

The new contracts include a R12 million hospital at Mitchells Plain and the civil work for the new Premier mill at Vereeniging, a job valued at R10 million.

Mr Jan Kaminksi, an executive director of Ovcon, says he is confident of winning three further contracts with a combined value of R7 million.

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CSO: 3400/059

PRISON LABOR ON FARMS TO CEASE

Johannesburg THE STAR in English 16 Jun 86 p 5

[Text]

International pressure has forced the Government to stop using prison labour in its export production.

But a chain of labour camps is being planned to house the workers that will replace the gangs of prisoners who harvest some of the country's fruit and vegetable exports.

There are fears that these camps will give other farmers an excuse to drive their workers and families off the lands as a way of cutting costs and reducing security risks.

Farmers have been given less than six months to stop using prison gangs. More than 10 000 prisoners are used on farms.

In the Western Cape alone, there are 11 prison camps. There are six in the Paarl area and about 4 000 prisoners at a time work on farms.

Plans to phase out forced labour were first announced in 1972, but little was done.

The decision to act now was prompted by pressure from importers overseas.

Under the General Agreement on Tariffs and Trade (GATT) rules prison labour is outlawed.

Norway and Sweden have already banned the imports and Ireland has announced that it will join the boycott in 1987.

But local farmers are bitter because they have not been given enough time or assistance to find other labour.

A spokesman for the South African Agricultural Union said this week it would be difficult for some farmers to manage without prison labour.

NO RIGHTS

"Where are they suddenly going to get the workers and where will they be housed?" he asked.

The Government has been asked to consider plans to build labour camps near "work intensive areas".

The Minister of Agriculture, Sarel Hayward, believes there are "many merits" in proposals that "areas be created where workers can live as a group to enable farmers 'to draw' labour".

The possibility of placing workers in these labour-intensive areas is being investigated.

Mr Hayward believes it is a good idea to house workers where there is the necessary infrastructure, such as electricity and water.

A spokesman for the National Committee Against Removals fears that the proposals might be part of a plan for the creation of a "rightless" labour force in rural areas.

"In South Africa, like Latin America, there is growing proletarianisation, not urbanisation, as more and more people find themselves landless, yet confined to the rural areas."

Farmers hope that the date for the scrapping of prison labour will be extended. If not, they want money from the Government to assist with the change.

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CSO: 3400/059

GOVERNMENT AID AVERTS DISASTER IN MAIZE TRIANGLE

Johannesburg BUSINESS DAY in English 9 Jun 86 p 2

[Article by Gerald Reilly]

[Text]

DISASTER in the maize triangle, especially in the western areas, has been averted by government's short term financial aid for farmers, says National Maize Producers' Organisation (Nampo) general manager Piet Gous.

Gous was responding to Agricultural and Water Supply Minister Sarel Hayward's weekend announcement that R262m — R91m this fiscal year — was to be made available for crop farmers' relief.

The aid follows repeated appeals by the SA Agricultural Union (SAAU) for substantial aid, and warnings that without it, hundreds of farmers were in danger of going to the wall.

Gous said the aid meant that large numbers of farmers, who would otherwise have been forced to leave their farms, could now carry on for at least another season.

He said: "We must see this aid for what it is, short term relief, but a survival strategy is urgently needed. What we need now is a plan to rehabilitate the faltering agricultural industry."

Hayward said the government had approved aid recommendations from the Jacobs' committee because of the still deteriorating financial plight of large numbers of farmers.

The aid is mostly a continuation and extension of subsidised interest rates on carry-over debts, and production credit to make possible the planting of this summer's crops.

SAAU president Kobus Jooste said the union was grateful for the extended financial aid for farmers in the drought-stricken summer-rainfall cropping areas.

Jooste said: "This disaster aid will go a long way towards helping farmers cope with their problems."

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CSO: 3400/1996

GOLD MINING INDUSTRY SAID IN GOOD POSITION

Johannesburg BUSINESS DAY in English 9 Jun 86 p 7

[Article by Roy Bennetts]

[Text]

THE South African gold mining industry is in a better position than it has been for many years, says Consolidated Gold Fields in *Gold 86* — its latest annual report on the world's gold markets.

Despite some fluctuations in the price of the metal, revenue still remains at a comparatively high level while a deceleration in the rate of escalation of working costs has been a welcome feature.

Also there is the prospect of improved use of labour on the gold mines, with greater productivity as a result, and continuing achievements in the field of applied research.

Using three hypothetical price levels, the report estimates that at R21 000/kg, gold production should rise from just over 675 tons in the current year to a peak of 845 tons by the year 2000.

From there it is expected to decrease to a paltry 15 tons by 2050.

At R19 000/kg, South Africa is calculated to produce 724 tons in 2000 with an even faster drop to 15 tons covering the same period as the higher price.

The lowest figure used in the report, R17 000/kg, shows production of 718 tons for 1987, climbing to 694 tons at the turn of the century.

Bottom-line recovery at this price is estimated at 22 tons in 2040.

Over the next 15 years there are at least 15 to 20 mining propects which are likely to come into production, with each producing between five and 15 tons of gold a year.

On the other hand, says the report, there are many mines that will have to close down in the next decade or so, as a result of the exhaustion of payable ore reserves.

The long-term projection remains on a downward trend due to the exhaustion of high grade ores on most mines.

Political and economic uncertainty in the country has weakened the rand to such an extent that the rand price of the metal is 50% higher than the last dollar peak of January 1980, resulting in the mining of increased tonnages of previously unpayable and very low grade ore.

Reviewing the South African gold mining industry as a whole, the report notes that it accounts for 55% of free world gold production, employs 513 832 black and white workers, and maintains its position as a basis for much of the activity of the other sectors of the economy.

Gold 86 says that the decade ahead is unlikely to be marked by complete economic stability.

Fluctuations arising from the business cycle will continue, currency parities will react to differing rates of inflation or balance of payment positions in the trading nations of the world and inflation might be reduced but is unlikely to disappear.

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CSO: 3400/1997

BRIEFS

PROBE INTO MINERALS REQUESTED --House of Assembly--South Africa was in the strangely ambivalent position of being a highly sophisticated industrial nation yet still having the status of a colony or underdeveloped country as far as its mineral riches were concerned, Mr A.M. de Jager (NP Kimberley North) said yesterday. He said in debate on the Mineral and Energy Vote that the Republic's mineral resources were exported in the form of unworked raw materials, then imported at great cost as complete products. An urgent investigation should be set under way at the highest level into the processing of these resources in this country. Mr A.L. Jordaan (NP False Bay) said it took far longer for the "ripple effect" of a petrol price increase to work through the economy than many people thought. While the effect of an increase was felt immediately, the benefit of a price cut was seen by the public to be limited only to cheaper petrol. [Text] [Johannesburg THE CITIZEN in English 7 Jun 86 p 2] /9317

WEAK RAND SEEN TO AFFECT MINING--House of Assembly--In the long-term, a weak rand would have a serious effect on the mining industry, Mr Ralph Hardingham (NRP Mooi River) said in the House yesterday. Debating the Mineral and Energy Affairs Vote, he said South Africa should not draw "long-term consolation" from the likelihood that 1986 sales of gold would probably be higher than 1985 sales. While sales increased in rand terms due to the weak rand, the long-term result would be the mining industry would have to pay more to replace mining equipment. It was likely that the cost of equipment would increase in the future while overseas funds for mining development were no longer coming in to the country. High inflation could result in the closure of some of the smaller mines, Mr Hardingham said. However, due to the uncertainty in world financial markets, there was "every reason to believe gold will continue to enjoy its present prestigious position." [Text] [Johannesburg THE CITIZEN in English 7 Jun 86 p 2] /9317

CALL TO DOUBLE FOREIGN EXCHANGE EARNINGS--House of Assembly--South Africa could double its foreign exchange earnings within a decade by stepping up the production of secondary products from raw materials, Mr Brian Goodall (PFP, Edenvale) said. He said this estimate first made by Mr Aidan Edwards, president of Mintek, should be debated in depth inside and outside Parliament. In recent years, he said, the manufacturing sector had not provided the spur to economic growth, and the average annual growth

rate of 1,7 percent for the past decade had not provided the economic growth and job opportunities that were needed. "We need to find a new motor for our economy, a motor which must satisfy essential requirements," he said. Mr Goodall said the economy needed considerable amounts of foreign exchange and "whether we like it or not" the future economic growth was going to have to be export-orientated. "This is the only way we will be able to service and eventually repay our foreign debt. "If we do not increase our exporting ability we will find that the South African economy will stagnate even more in the future..." In a Western economy a real growth rate of 1,8 pc a year was acceptable because it led to a real increase in per capita wealth, but in South Africa it caused a decline in per capita wealth, he said. Other essential requirements that the "economic motor" must meet were that it must create more jobs and keep imports at a low level, he added. [Text] [Johannesburg THE CITIZEN in English 7 Jun 86 p 2] /9317

MINISTER: MINERALS NOT TO BE USED AS THREAT--House of Assembly--South Africa did not intend to use its minerals as a "threat" to the rest of the world, the Minister of Mineral and Energy Affairs, Mr Danie Steyn, said yesterday. Replying to points raised during the debate on his Budget Vote, he said speeches made by himself and the State President, Mr P.W. Botha, in this regard had been incorrectly interpreted. "We do not intend to use our minerals as a threat," Mr Steyns said. "We never intended to do it." Referring to a call by Mr Brian Goodall (PFP Edenvale) for greater attention to be paid to processing of minerals, Mr Steyn said his department had made "considerable progress" over the last year in identifying what minerals should receive priority in this respect. Among these were chromium and titanium, which Mr Goodall had referred to. Mr Steyn said his department had drawn up a 10-year strategy for every mineral type the country possessed. The strategy included plans to improve the processing of minerals and other ways of gaining more foreign exchange from them.--Sapa [Text] [Johannesburg THE CITIZEN in English 7 Jun 86 p 2] /9317

DRINKING WATER FOR KWAZULU--Ulundi--Tens of thousands of people in rural kwaZulu will have clean drinking water piped to them for the first time as a result of a scheme initiated by the Ungeni Water Board with the cooperation of the Durban and Maritzburg municipalities, according to Chief Mangosuthu Buthelezi. Speaking in the kwaZulu Legislative Assembly, he said the board had been concerned for some time that a basic supply of good water was not getting to many rural black communities. This was because they could not afford to bear the capital cost of delivering small quantities of water over a long distance from the main bulk supply system. The board had asked its main consumers if they would cooperate in a scheme whereby the expenditure necessary to provide such service would be capitalised, with interest and redemption recovered from all the board's consumers through an equalised tariff. This would mean an increased cost of only 0,06 cents per kilolitre a year and the communities themselves would be charged for the water used at the board's normal equalised tariff. Chief Buthelezi said that as its main clients, Durban and Maritzburg had agreed to the scheme the board would start supplying the drinking water soon. [Text] [Johannesburg THE STAR in English 16 Jun 86 p 14] /9317

BUSINESSMEN BID FOR BRITISH COMPANY--London--SA businessmen Hugo Biermann and Julian Askin, continuing their expansion in Britain, yesterday said they had bid £13.7m (R49,6m) for the British company Longton Industrial Holdings. The bid was made through Thompson T-Line, their first UK industrial acquisition at the turn of the year. Biermann and Askin, who say their SA interests include Reinsurance Consultants Intermediaries and the Edwardstone Group, intend expanding from an industrial base into financial services. They are similarly active, they say, in the US. They also claim to have an offshore company, Diamond Limited, registered in the Virgin Isles. "We want to create UK and American interests similar to those we have in SA and are delighted with progress made particularly the institutional support we are getting," they said last night. [Text] [Johannesburg BUSINESS DAY in English 5 Jun 86 p 2] /9317

WATER TO MIDDLE EAST--The Deputy Director-General in the Department of Water Affairs D Classen said yesterday the SA government was aware of the scheme to export water from Transkei to Middle East countries. But he said SA had not yet received any reports on its feasibility studies and he knew of no financial arrangement between SA and Transkei for SA to finance the envisaged project. [Text][Johannesburg BUSINESS DAY in English 5 Jun 86 p 2] /12828

ISRAELI ARMS CONNECTION--South African firms are using Israel to evade the economic sanctions imposed by African countries against the racist regime, according to a signed article published in Saudi Arabia's English newspaper Arab News on Tuesday. "What usually happens is that a South African company would invest heavily in an Israel textile company. All the products of this factory would then go to the African states. This explains why Israel is desperately attempting to re-establish diplomatic ties with the African states", the article, quoted by the New China News Agency (Xinhua), said. There are now more than 250 firms in Israel belonging to the South African-Israeli Chamber of Economic Relations, one of which is the Iskoor steel plant now producing about half of Israel's steel, it said. Israel also serves as South Africa's backdoor to European countries for preferential duty-free treatment, it added. South African manufacturers export half-finished goods to Israel, finish them in Israel and then re-export those goods to Europe with labels "Made in Israel" which then can qualify for the preferential tariff treatment, it said. In the military field, Israel and the Pretoria regime also collaborate closely, the article said. South Africa is the primary customer for Israeli arms exports, purchasing 35 per cen of all Israeli arms sale. Hundreds of Israeli armymen are serving as instructors or advisors in the training centres of the South African army units. [Text][Dar es Salaam DAILY NEWS in English 16 May 86 p 1]/12828

U.S. FIRM QUITS--American electrical and automotive parts manufacturer Eaton Corp has joined the growing list of blue-chip companies to cut their South African ties. Eaton has sold its SA operations to NEI Africa for an undisclosed amount. The two subsidiaries are Cutler-Hammer South Africa, a maker of electronic control and distribution equipment, and Eaton Truck Components. Officials at Cleveland-based Eaton said their decision was based on "these businesses not meeting strategic objectives and commanding a disproportionate amount of management attention given their economic size." [Text] [Johannesburg SUNDAY TIMES (Business) in English 8 Jun 86 p 7] /9317

PUTCO APPLIES FOR FARE INCREASE--PUTCO has applied for a fare's increase of 17,5% by November 1 to recover general cost increases, the company announced yesterday. This did not take account of any subsidy that might be paid by the Department of Transport on behalf of passengers, the statement said. "Essentially, should the increase be approved, any matching subsidy in excess of the figure mentioned would result in a lesser amount payable by the passenger contribution. "As Putco operates bus services under the jurisdiction of the Local Road Transportation Boards in Johannesburg, Pretoria, Durban, kwaNdebele and Bophuthatswana, separate applications have been submitted to each of the respective boards. "Once these have been published by Government Gazette, anyone wishing to lodge objection may do so within a period of 21 days."--Sapa [Text]
[Johannesburg BUSINESS DAY in English 5 Jun 86 p 2] /9317

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